By Mr. TINKHAM: A bill (H. R. 11981) to provide allowances for mothers with children under 16 dependent upon them for support, in the District of Columbia; to the Committee on the District of Columbia.

By Mr. GREEN of Iowa: A bill (H. R. 11982) to amend the act approved April 22, 1908, relating to the liability of common carriers by railroad to their employees in certain cases; to the Committee on Interstate and Foreign Commerce.

By Mr. STEPHENS of Mississippi: A bill (H. R. 11983) to establish a national military highway between Washington, D. C., and Memphis, Tenn.; to the Committee on Roads.

By Mr. HELM: A bill (H. R. 11984) to provide for the fourteenth and subsequent decennial censuses; to the Committee on the Census.

By Mr. MONDELL: A bill (H. R. 11997) authorizing an exchange of lands by the Mountain Home Co., of Glenrock, Wyo.; to the Committee on the Public Lands.

By Mr. VARE: A bill (H. R. 11998) providing for the construction of a commercial dry dock in the city of Philadelphia, and making an appropriation therefor; to the Committee on the Merchant Marine and Fisheries.

By Mr. CANDLER of Mississippi: Resolution (H. Res. 339) providing for the consideration of H. R. 11945 and making the provisions thereof in order; to the Committee on Rules.

By Mr. EMERSON: Resolution (H. Res. 340) to amend rule of admission to the galleries; to the Committee on Rules.

By Mr. O'SHAUNESSY: Memorial from the Legislature of the State of Rhode Island, indorsing the proposed council of state on the establishment of a definite relationship between sources of Federal and State revenues, and providing for official representation therein; to the Committee on Ways and Means.

PRIVATE BILLS AND RESOLUTIONS.

Under clause 1 of Rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. AUSTIN: A bill (H. R. 11985) granting an increase of pension to Marion Crabtree; to the Committee on Invalid Pensions.

Also, a bill (H. R. 11986) granting an increase of pension to Benjamin Martin; to the Committee on Invalid Pensions.

By Mr. CLAYPOOL: A bill (H. R. 11987) granting an increase of pension to Samuel Holderman; to the Committee on Invalid Pensions.

By Mr. HADLEY: A bill (H. R. 11988) granting a pension to Mary Hodges; to the Committee on Pensions.

By Mr. HELVERING: A bill (H. R. 11989) granting an increase of pension to Annie Hughes; to the Committee on Pensions.

By Mr. MOTT: A bill (H. R. 11990) granting an increase of pension to Lyman A. Howard; to the Committee on Invalid Pensions.

By Mr. SHOUSE: A bill (H. R. 11991) granting an increase of pension to John H. Wilson; to the Committee on Invalid Pensions.

Also, a bill (H. R. 11992) granting an increase of pension to George W. Reed; to the Committee on Invalid Pensions.

By Mr. SNOOK: A bill (H. R. 11993) granting an increase of pension to Samuel Adair; to the Committee on Invalid Pensions.

By Mr. WELTY: A bill (H. R. 11994) granting an increase of pension to Frederick Hirn; to the Committee on Invalid Pensions.

Also, a bill (H. R. 11995) granting an increase of pension to Abraham Billger; to the Committee on Invalid Pensions.

By Mr. WOOD of Indiana: A bill (H. R. 11996) granting a pension to Virginia Blood; to the Committee on Invalid Pensions.

PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

By the SPEAKER (by request): Petition of Instructive District Nursing Association, relative to military rank for the nursing corps in the war; to the Committee on Military Affairs.

Also (by request), petition of sundry citizens of Boston, Mass., relative to freedom for Ireland; to the Committee on Foreign Affairs.

Also (by request), petition of Accomac Council, No. 37, of Chincoteague, Va., favoring passage of House bill 10846, for one-third fare rate to enlisted men to visit their home; to the Committee on Interstate and Foreign Commerce.

Also (by request), petitions of Sidney Post, No. 41, and Mix Post, No. 250, Grand Army of the Republic, Department of New York, both of Ithaca, N. Y., favoring passage of the Jones bill, for increase in pensions of Grand Army of the Republic veterans; to the Committee on Invalid Pensions.

Also (by request), petition of Henry A. Goetz, Chicago, Ill., relative to congestion caused by carrying mail in Chicago through pneumatic tubes; to the Committee on the Post Office and Post Roads.

By Mr. ELSTON: Petition of the Berkeley Defense Corps that the enforcement of the espionage act be brought under the jurisdiction of military court-martial; to the Committee on the Judiciary.

By Mr. O'SHAUNESSY: Resolution of the Department of Rhode Island, Grand Army of the Republic, favoring the Smoot pension bill; to the Committee on Invalid Pensions.

By Mr. RAMSEYER: Resolution of the Ministerial Association, submitted by George J. Cornford, of Albia, Iowa, protesting against polygamy and polygamous cohabitation in the United States of America; to the Committee on the Judiciary.

By Mr. RANDALL: Protest of the Ladies' Work Society of the Presbyterian Church of Monrovia, Cal., against the second-class postal zone rates; to the Committee on the Post Office and Post Roads.

By Mr. ROBBINS: Resolution of the Vandergrift (Pa.) Automobile Club, urging as a war measure the prompt improvement of the public highways; to the Committee on Roads.

SENATE.

THURSDAY, *May 9, 1918.*

Rev. J. L. Kibler, of the city of Washington, offered the following prayer:

O God our Father, we lift up our eyes unto the hills from whence cometh our help. Our help cometh from the Lord which made heaven and earth. Our highest interest is found only in Thee. Our only hope is in Thee. Our strength is in Thee, for without Thee we can do nothing. Thou art our life, our element, our surety. All the vital concerns of our lives are linked up with Thee and with the great atonement Thou hast provided for our fallen race.

O God, help us to get a stronger hold upon Thy power. Give us clear conceptions of Thy will. Give us the sweet assurances of Thy favor. In all our thoughts and plans may Christ have the preeminence. In all our ways may we acknowledge Him who has promised to direct our paths. May we be careful of our words and of our conduct; and may we never get away from the thought, "Thou God seest me." We ask it for Christ's sake. Amen.

The Journal of yesterday's proceedings was read and approved.

NATIONAL BUDGET.

The VICE PRESIDENT. The Chair lays before the Senate a communication from the Chamber of Commerce of the United States of America, which will be inserted in the RECORD and referred to the Committee on Appropriations.

The communication is as follows:

[Chamber of Commerce of the United States of America, Riggs Building.]

WASHINGTON, D. C., *April 23, 1918.*

The honorable the PRESIDENT OF THE UNITED STATES SENATE,
Washington, D. C.

SIR: I have the honor to transmit to you the following resolution upon the subject of a national budget, unanimously adopted at the sixth annual meeting of the Chamber of Commerce of the United States of America, held in Chicago, Ill., April 10, 11, and 12, 1918.

Very truly, yours,

ELLIOT H. GOODWIN, *Secretary.*

Whereas national expenditures have grown to a point unprecedented in our history in the current year; and

Whereas new taxation to produce hundreds of millions of dollars and issues of bonds in large amounts have become necessary: Now, therefore, be it

Resolved, That the Chamber of Commerce of the United States reaffirms the proposals for budgetary procedure as adopted by it in referendum with almost complete unanimity among the organizations in its membership—573 votes to 10; and be it further

Resolved, That the present exigencies of national defense make it peculiarly necessary that in the public interest expenditure and revenue should be considered together; and be it further

Resolved, That the President and the Congress be asked to take steps to inaugurate complete budgetary procedure such as is advocated by the national chamber.

MESSAGE FROM THE HOUSE.

A message from the House of Representatives, by G. F. Turner, one of its clerks, announced that the House had passed a bill (H. R. 10852) to provide for the appointment of a commission to standardize screw threads, in which it requested the concurrence of the Senate.

The message also announced that the House had passed a concurrent resolution (No. 40) requesting the President to

recommend the observance of Sunday, May 12, 1918, as Mothers' Day, etc., in which it requested the concurrence of the Senate.

ENROLLED BILLS SIGNED.

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

S. 1545. An act to amend the act of March 3, 1913, entitled "An act to regulate the officering and manning of vessels subject to the inspection laws of the United States";

S. 4208. An act authorizing postage rates on aeroplane mail; and

H. R. 8753. An act to amend section 3, title 1, of the act entitled "An act to punish acts of interference with the foreign relations, the neutrality, and the foreign commerce of the United States, to punish espionage, and better to enforce the criminal laws of the United States, and for other purposes," approved June 15, 1917, and for other purposes.

TELEGRAMS AND PETITIONS.

Mr. JONES of Washington. I have a short telegram from representatives of the National Woman's Party of Tacoma urging my support of the national suffrage amendment, and also a letter from the secretary of the Central Labor Council of Seattle, Wash. Of course, these people know that I am heartily in favor of this amendment and have urged its passage for many years. Both are short communications, and I ask that they may be printed in the RECORD.

There being no objection, the matter referred to was ordered to be printed in the RECORD, as follows:

TACOMA, WASH., *May 8, 1918.*

Senator WESLEY L. JONES,
Senate Office Building, Washington, D. C.:

We, women voters of Washington and members of the Tacoma Branch of the National Woman's Party, most urgently request that you do all in your power to secure the necessary support in the Senate to carry the national suffrage amendment when it comes to a vote Friday, May 10.

Mrs. WILLIAM P. TROWBRIDGE,
Chairman.
Miss CORA LINDAAS,
Secretary.

—

CENTRAL LABOR COUNCIL,
Seattle, Wash., May 4, 1918.

Hon. WESLEY L. JONES,
United States Senate, Washington, D. C.

DEAR SIR: The Central Labor Council of Seattle and vicinity, realizing that the Senate will soon have an excellent opportunity to perform an act which will give to the women of this Nation a measure of justice long overdue, at its last regular meeting adopted resolutions which instructed me to communicate with you urging that you do all in your power, by word and act, to bring about the national enfranchisement of the women of this Nation upon the same basis of men.

Believing that you realize full well the wholesome influence that the passage of such legislation will have upon all those who believe in democracy at home as well as abroad, and that you will spare no effort to bring this about, I am,

Yours, very respectfully,

[SEAL.] JAMES A. DUNCAN, *Secretary.*

Mr. LENROOT. I present a telegram from Edward Seyk, chairman of the liberty loan committee of Kewaunee County, Wis. I ask that it be printed in the RECORD because of the remarkable showing made by this county. Its allotment of liberty bonds was $328,000 and its subscriptions were $988,000, or more than 300 per cent. In addition, every citizen of the county became a purchaser of a liberty bond.

There being no objection, the telegram was ordered to be printed in the RECORD, as follows:

KEWAUNEE, WIS., *May 6, 1918.*

Hon. IRVINE L. LENROOT,
Senate Office Building, Washington, D. C.:

Kewaunee County's allotment, $328,000; subscriptions, $988,000. Every citizen in Kewaunee County bought a bond, without exception.

EDWARD SEYK, *Chairman.*

Mr. POINDEXTER. I present a brief telegram and in view of the special request in the telegram I ask that it be read by the Secretary.

There being no objection, the telegram was read as follows:

SPOKANE, WASH., *May 8, 1918.*

Senator MILES POINDEXTER,
Washington, D. C.:

We the members of the Good Government League ask you to do all you can to bring about a favorable vote on suffrage amendment, asking the Democratic Members of your body to vote for it. In view of the fact that our President is standing for international democracy, we feel that the women of this country should be given the vote to which they are so justly entitled. Please have this read on the floor of the Senate.

Mrs. A. P. FASSETT, *President.*

Mr. LEWIS. I present a petition of the Illinois Equal Suffrage Association. I presented this petition a few days ago, and at the time intended to ask that it, together with the signatures, be incorporated in the RECORD. I now ask that the petition and the names of the signers be printed in the RECORD and ordered to lie on the table to be on hand for discussion on the Federal suffrage amendment when taken up for consideration on to-morrow.

There being no objection, the petition was ordered to be printed in the RECORD, as follows:

ILLINOIS EQUAL SUFFRAGE ASSOCIATION,
Chicago, April 23, 1918.

Hon. JAMES HAMILTON LEWIS,
United States Senate, Washington, D. C.

DEAR SIR: On April 23, 1918, at an executive meeting of the board of directors of the Illinois Equal Suffrage Association, which has an affiliated membership of over 200,000, the following resolution was unanimously adopted:

Loyalty pledge of the Illinois Equal Suffrage Association.

We pledge ourselves to support the Constitution of the United States and the constitution of the State of Illinois and the laws made thereunder; we will bear true fealty and allegiance to the United States and cheerfully obey any order or request of the United States Government in the prosecution of the present war. We will refrain from destructive criticism of the Government's purposes and methods and from defense of the German Government or its ruler.

Grace Wilbur Trout, Oak Park, Ill.; Mrs. George A. Soden, 5122 Woodlawn Avenue, Chicago; Judith W. Loewenthal, 4601 Woodlawn Avenue, Chicago; Mrs. Lyman A. Walton, 5737 Woodlawn Avenue, Chicago; Mrs. Edward L. Stewart, 3533 West Adams Street, Chicago; Mrs. Augustus Peabody, 939 Lake Shore Drive, Chicago; Mrs. Samuel Slade, Highland Park, Ill.; Mrs. J. W. McGraw, 5701 Drexel Avenue, Chicago; Ella Robbins Nagely, 4417 Champlain Avenue, Chicago; Mrs. Mabel Gilmore Reinecke, 6954 Princeton Avenue, Chicago; Mrs. Charles Frankenthal, 5044 Drexel Boulevard, Chicago; Katharine M. Porter, Freeport, Ill.; Bertha M. Stryker, Galena, Ill.; Blanche B. West, Bushnell, Ill.; Mrs. Mary E. Sykes, Monmouth, Ill.; Mrs. E. B. Coolley, Danville, Ill.

Mr. SMITH of South Carolina presented a petition of sundry citizens of Charleston, S. C., praying for the submission of a Federal suffrage amendment to the legislatures of the several States, which was ordered to lie on the table.

Mr. TOWNSEND presented a petition of A. W. Chapman Post, No. 21, Grand Army of the Republic, Department of Michigan, of St. Joseph, Mich., praying for increase in the pensions of veterans of the Civil War, which was ordered to lie on the table.

He also presented a memorial of the Detroit Federation of Women's Clubs of Michigan, and a memorial of the Woman's Progressive League of Niles, Mich., remonstrating against allowing the grazing of sheep and cattle in the national parks, which were referred to the Committee on Public Lands.

He also presented a petition of Sumner Grange, No. 893, Patrons of Husbandry, of Gratiot County, Mich., and a petition of the West Otisco Farmers' Club, of Ionia County, Mich., praying for the repeal of the present zone system of postage rates on second-class mail matter, which were ordered to lie on the table.

He also presented a petition of the Motor Truck Division of the Automobile Club of Detroit, Mich., praying for the enactment of legislation for the adequate construction of highways and a centralized Federal authority to direct the administration of the policy governing the same, which was referred to the Committee on Agriculture and Forestry.

He also presented a resolution adopted by the board of education of Saginaw, Mich., favoring universal military training, which was referred to the Committee on Military Affairs.

Mr. NELSON presented petitions of sundry citizens of Two Harbors, Ely, and Tower, all in the State of Michigan, praying for national prohibition as a war measure, which were ordered to lie on the table.

He also presented a petition of James M. McKelvey Post, No. 134, Grand Army of the Republic, Department of Minnesota, praying for an increase in the pensions of veterans of the Civil War, which was referred to the Committee on Pensions.

He also presented a petition of the Commercial Club of St. Cloud, Minn., praying for the enactment of legislation providing for the adequate construction of highways and a centralized Federal authority to direct the administration of the policy governing same, which was referred to the Committee on Agriculture and Forestry.

Mr. WEEKS presented a petition of sundry citizens of Worcester, Mass., praying for the submission of a Federal suffrage amendment to the legislatures of the several States, which was ordered to lie on the table.

PROHIBITION IN HAWAIIAN ISLANDS.

Mr. SHEPPARD. I present resolutions adopted at a mass meeting of citizens of Honolulu asking for complete prohibition in the Hawaiian Islands. I ask that the resolutions may be read.

The VICE PRESIDENT. Is there any objection? The Chair hears none.

The Secretary read as follows:

Whereas the President of the United States by Executive order has closed the saloons of the island of Oahu and put further restrictions on the use of liquor, for the good of the military and naval forces of the United States and the people of the island during the war: Therefore be it

Resolved, That we, citizens of Honolulu and members of the military and naval forces of the United States, assembled in an "Oahu dry good-citizenship rally" on the eve of the closing of the saloons, hereby express our appreciation of the action of President Wilson; and be it further

Resolved, That since these restrictive measures fall far short of meeting the urgent need of the islands for immediate and complete prohibition, when it is imperative for our people to discontinue any custom that impairs our industrial and military efficiency, that we congratulate our Delegate in Congress, Hon. JONAH KALANIANAOLE, for the prohibition bill he has caused to be introduced in the Senate and House of Representatives of the United States, and urge him to use every endeavor to bring the bill to speedy passage and complete enforcement.

Mr. SHEPPARD. Mr. President, let me say that the proclamation of the President establishing partial prohibition in the island of Oahu has created a condition requiring immediate attention and remedy on the part of Congress. The proclamation prohibited the sale of intoxicating liquors on the island of Oahu, but did not prohibit their manufacture or their importation. The result is that they are being manufactured to a large extent in Oahu, and are being unloaded on the people of the adjoining islands. Much of this liquor is then imported back into the main island, the island of Oahu, thereby largely neutralizing the intended effect of the proclamation. The inhabitants of the other islands are protesting against this situation, and I intend at the first opportunity to call up the bill for complete prohibition during the war for these islands.

UNITED STATES BOY SCOUTS.

Mr. SMOOT. Several days ago I had printed in the RECORD a letter from Messrs. Hughes, Rounds, Schurman & Dwight, referring to the United States Boy Scouts. I am in receipt of a letter from John D. Gluck in answer to the same, with the request that I have it printed in the RECORD, which I now ask to have done.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

NEW YORK, *May 6, 1918.*

Hon. REED SMOOT,
United States Senate, Washington, D. C.

DEAR SIR: Please refer to letter of Messrs. Hughes, Rounds, Schurman & Dwight (CONGRESSIONAL RECORD, Apr. 26, 1918, p. 5642), regarding United States Boy Scouts. This letter, I am informed, was sent to you by an apprentice in the employ of the law firm above mentioned, and was done so without Mr. Hughes's knowledge of the true facts in the case.

I deny that I am a professional charity solicitor and earn a living in such a manner. I refer to my 15 years' record in the work for the rehabilitation of our merchant marine. I am the first man in America to bring to light and stop dangerous German maritime propaganda.

I deny that I have ever traded upon the name of the Boy Scouts of America. I deny that I am one of two men who got control of a paper organization. I emphatically deny that I ever used the names of prominent men at any time or place for the purpose of leading people to believe they were supporting the Boy Scouts of America.

The statement that I interfered with the success of the third liberty loan is asinine in that I am the originator of the Boy Scout liberty-loan drive.

I stand for the Boy Scouts of America first, last, and all the time, and applaud the excellent work of the boys, all of the scout leaders, and the prominent citizens connected with the movement. I am sincerely sorry for the Military Boy Scouts, a hitherto mismanaged but legitimate institution founded in 1909 (United States Boy Scouts), whose boys do their country honor and who during peace times had a "hard row to hoe." It was on this account that I suggested that Members of Congress send these loyal and patriotic boys a note of good cheer before they "go over the top." I know that the boys felt deeply chagrined because they had apparently been discriminated against. Many patriotic and fearless Congressmen gladly responded. A few sent glowing tributes and then asked to have them returned upon reading the letter from Messrs. Hughes, Rounds, Schurman & Dwight.

I believe that this is a time when the man power of our Nation should be united and this silly, unimportant Boy Scout feud laid aside.

My defensive activities are directed against an individual who manages to get himself indorsed by prominent men or their agents, none of whom, I believe, know the true facts of the case, which are made to appear very serious by the practice of vicious intrigue. The defense of the Military Boy Scouts is a very small part of my complaint in this unpatriotic dollar-and-cents fight; it is the individual, or individuals, that have through what I believe to be Hun influence interfered for the past six years with the program of elementary military training among boys throughout the United States. That is what started me fighting, and if it keeps up we will witness the disgraceful spectacle of a nation-wide demonstration by organizations representing over a million boys who insist on military training. In short, the point I wish to make is the fact that the United States Boy Scouts are not alone the ones that have suffered, but on account of the similarity of title have been made the target of this vicious and hitherto victorious intrigue.

The Military Boy Scouts changed their name five years ago to suit the convenience of the promoters of the Boy Scouts of America, and recently endeavored again to do so on two occasions, eliminating the word "Scout." On one occasion, the proposed new name being a good one, it was snatched up by an associate of one of the promoters, and on another occasion influence was brought to bear to prevent another name and accepted charter from being filed. Perhaps this secret campaign against the United States Military Boy Scouts is being pressed, because whole troops of Boy Scouts of America have applied for membership in the United States Boy Scouts, which latter organization is now undergoing a thorough overhauling.

I believe the Boy Scout movement as practiced by the Boy Scouts of America to-day will soon resolve itself into being an association for children and that the Boy Scouts of America should have the exclusive right to the name "Boy Scouts."

In conclusion, I beg to advise that I have never profited one dollar by my connection with the Military Scouts, and that my connection therewith has been honorary and not official; that the Seventh Regiment, United States Boy Scouts, is a legitimate scout regiment, with offices in the Candler Building, New York; and, furthermore, on Wednesday of this week I will meet for the first time the staff officers of the department of the East, United States Boy Scouts.

Respectfully,

JOHN D. GLUCK.

BILLS INTRODUCED.

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

By Mr. STERLING:

A bill (S. 4515) providing for the admission of disabled officers, soldiers, and sailors to the National Home for Disabled Volunteer Soldiers; to the Committee on Military Affairs.

By Mr. NELSON:

A bill (S. 4516) granting an increase of pension to Otto A. Risum; to the Committee on Pensions.

By Mr. WEEKS:

A bill (S. 4517) for the relief of the owner of the steamship *Matoa*; to the Committee on Claims.

By Mr. TOWNSEND:

A bill (S. 4518) granting a pension to Cantorinia F. Crawford (with accompanying papers); to the Committee on Pensions.

By Mr. LEWIS:

A bill (S. 4519) granting an increase of pension to John J. Cassin; and

A bill (S. 4520) granting a pension to Mary E. Cook; to the Committee on Pensions.

By Mr. SMITH of Maryland:

A bill (S. 4521) to provide an additional method for enforcing and foreclosing tax sales and tax deeds in the District of Columbia, and for other purposes; to the Committee on the District of Columbia.

KNIGHTS OF MODERN SYRIA.

Mr. McCUMBER. I introduce a bill, by request, which seeks to incorporate the Supreme Lodge of Knights of Modern Syria and coalesce into a single society a great number of the Syrian societies. I feel that I ought to say something about it at the time of introducing the bill, because there are reasons why I might be compelled at some time to vote against any kind of a bill that recognizes a hyphenated American society in it.

Mr. President, while I shall support this particular bill so long as we permit these societies in the United States, I believe that, on the whole, the hyphenating of our American citizenship by societies which seek to perpetuate the foreign lineage of their membership has done more than any other one thing I can think of to prevent a complete assimilation of all of our people into one great American people.

For years we have pandered to the different hyphenates in this country in a political way. We have formed our tickets to meet the requirements of German-Americans, Irish-Americans, Norwegian-Americans, Swedish-Americans, Polish-Americans, and many others, excepting only the Scotch-Americans and the American Americans. We have paid very little attention to those two classes of our people. So when the great war broke out in Europe we found that we were a composite Nation rather than a homogeneous people, and that our sympathies were measured always by the relationship between the particular society and the foreign country from which its members had originated.

My own conviction is that the time ought to come, and come soon, when we shall say to the American people, "When you have crossed the ocean and taken your oath of allegiance you are to become wholly and solely an American people." I believe that these hyphenated societies are an injury rather than a blessing to the American people. They naturally tend to destroy the homogenity of our people and inculcate sympathies and prejudices that are against our real interest.

But there is in this particular bill which I call attention to some very timely and laudable purposes:

First. To better the conditions of all Syrians everywhere, and especially in Syria, and to furnish help and food to the starving people of that country.

Second. To devise and carry out a plan of education which will make the members good citizens of the United States and to give them instruction in civil government and the English language.

Third. To give organized aid to the United States in the prosecution of the present war and to arouse patriotism among its members.

Those particular features are certainly commendable, and as long as there are to be hyphenated societies in the United States, of course I would naturally vote and support one for this purpose, but, I repeat, I hope the time will come soon when we can get the everlasting hyphens out of our American citizenship and become one people, with one heart and one soul, that will determine its stand by the righteousness or the unrighteousness of any cause rather than by the lineage that may exist between the individual member and any other nation engaged in that cause.

The bill (S. 4514) incorporating the Supreme Lodge of Knights of Modern Syria was read twice by its title and referred to the Committee on the Judiciary.

PUNISHMENT FOR DISLOYALTY.

Mr. WALSH. Mr. President, on the 15th of April the Attorney General addressed a communication to the executive committee of the American Bar Association asking the aid of the members of that association in the enforcement of the laws and in prosecutions under the laws intended to punish crimes of disloyalty and other similar offenses, and reviewing therein some of the difficulties that had been encountered in dealing with that problem. I deem it of such importance as that it ought to go before the country, and I ask unanimous consent that it may be printed in the RECORD.

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

The communication is as follows:

[Suggestions of Attorney General Gregory to executive committee in relation to the Department of Justice, at Richmond, Va., Apr. 16, 1918.]

Gentlemen of the Executive Committee of the American Bar Association, You have asked me to meet with you this morning and suggest in what way the body you represent can help the Government, and especially the Department of Justice, in the present emergency. With no preliminaries, I will proceed.

We must set our faces against lawlessness within our own borders. Whatever we may say about the causes for our entering this war, we know that one of the principal reasons was the lawlessness of the German nation—what they have done in Belgium and in northern France, and what we have reason to know they would do elsewhere. For us to tolerate lynching is to do the same thing that we are condemning in the Germans. Lynch law is the most cowardly of crimes. Invariably the victim is unarmed, while the men who lynch are armed and large in numbers. It is a deplorable thing under any circumstances, but at this time, above all others, it creates an extremely dangerous condition. I invite your help in meeting it. From all the facts I have been able to gather concerning the lynching of the man in Illinois, I doubt his having been guilty of any offense. Such happenings grow out of a condition of mind where people say, "The Government is giving us no protection; spies are blowing up our factories: they are giving information to Germany; our boys are being shot in the rear; and our duly constituted authorities are doing nothing to protect us, and we will take the law into our own hands." This appeals to the excited and drunken mind. Unless stopped, it is going to result in a condition most deplorable.

The two excuses usually given are that there are no adequate laws, and that the laws we have are not properly enforced.

The people of this country must be given to understand that we have means of protecting those in the field and those at home and what is being done to accomplish that result.

I care little for criticisms of the Department of Justice, but when the people are being deceived and the most ignorant of them incited by absolutely false reports I feel that something must be done to meet the situation.

First, as to the laws: It is hardly necessary to say that when war broke out we had no real, substantial set of laws with which to confront the emergency. The department therefore attempted to procure additional legislation. We secured the passage of the espionage act, but most of the teeth which we tried to put in were taken out. We got what we could, but Congress itself did not realize at that time the conditions that would confront us.

To give you an idea of the ineffectiveness of that law when applied by a judge not in accord with its purposes, I refer to a celebrated case recently decided by a district judge of the United States, which will give you an idea of how impossible it is to enforce it in some jurisdictions.

The defendant was charged with having violated section 3 of the espionage act in that (1) he did "make and convey false reports and false statements with intent to interfere with the operation and success of the military and naval forces of the United States and to promote the success of its enemies"; and (2) that he did "cause and attempt to cause insubordination, disloyalty, mutiny, and refusal of duty in the military and naval forces of the United States, and obstruct the recruiting and enlistment service of the United States, to the injury of the service of the United States, specifically as follows: At divers times, in the presence of sundry persons, defendant declared that he would flee to avoid going to the war; that Germany would whip the United States, and he hoped so; that the President was a Wall Street tool, using the United States forces in the war because he was a British tool; that the President was the crookedest —— (the term used was too vile to repeat) ever President; that he was the richest man in the United States; that the President brought us into the war by British dictation; that Germany had right to sink ships and kill Americans without warning; and that the United States was only fighting for Wall Street millionaires and to protect Morgan's interests in England."

The court stated that the evidence would justify a finding that defendant did make the declarations charged, but that a verdict of guilty of any of the crimes charged could not be sustained, and instructed the jury to acquit. Probably from 20 to 30 other district judges have construed that law and properly left to the jury the duty of determining the intention of the accused from the language used and the circumstances under which it was used. It seems practically impossible in the district in which that judge presides to punish the disloyalty denounced by this statute.

Congress is now considering, and I feel quite sure will shortly pass, an amendment to the espionage act which will make it much more drastic, and which it is hoped will form the basis for convictions in all Federal districts.

Consider what is generally known as the sabotage law, now pending before Congress. The ordinary man does not understand that there is no United States law against arson or even murder except within certain restricted territory, that the laws passed by Congress are very limited in their scope, and that the State legislatures possess the broader powers to punish crime.

The limited law-enforcing power of the Federal Government may be illustrated by the case of the famous German spy Von Rintelen.

This man, before we were involved in the war, entered into a conspiracy with a German chemist named Scheele and others to sink vessels on the high seas with incendiary bombs. The bombs were being manufactured on the interned German vessel *Vaterland* at Hoboken.

Hanging would have been too good for that crime, because women and children with no protection were on those vessels. The only way of reaching this man under Federal law was to charge him with violating the laws of the United States regulating the transportation of dangerous materials in foreign commerce, for which offense the maximum penalty is 18 months in jail and a fine of $2,000. This punishment was inflicted, but was utterly inadequate.

At that time we had no Federal law under which a person could be punished for blowing up a powder magazine. What is known as the "sabotage act" is now under consideration, providing proper punishment for the destruction or injury of supplies, material, structures, etc., intended or suitable for the use of the Government. (Note: This bill has since become law.)

The most effective machinery so far provided for dealing with alien enemies is furnished by the old act of 1798, giving the President power to intern alien enemies when their being at liberty would probably constitute a menace to the public safety. Even this applies only to males over 14 years of age. In many instances women are the most dangerous of our alien enemies, and Congress is now considering an amendment to this act which will bring them within its terms. (Note: This bill has since become law.)

What is known as the "passport law," which will properly control the incoming and outgoing of every person in the United States, is now before Congress. This is badly needed, especially on the Mexican border, where the evil of unrestricted passage is assuming serious proportions.

Generally speaking, these are the more important measures now under consideration, and I earnestly hope they will be passed at an early day. With their help we shall be fairly able to adequately meet the conditions which have arisen.

The other excuse given by people who engage in lynching is that the laws are not enforced.

In order that you may act upon the suggestions I intend to make you should know something of the situation.

As lawyers, you have a fair appreciation of the burden which rests upon the Department of Justice. I should say that its work has largely more than doubled since the outbreak of war. There are certain new fields we must now enter and have entered. We had no previous experience in enforcing laws against espionage, treason, and kindred crimes.

There are in the United States some 1,500,000 male alien enemies over 14 years of age. Assuming that each stands for a family of three—a wife and one child—that would make 4,500 000 alien enemies within our borders. This will give you an idea of the size of the problem.

The intelligence bureaus of the Army and Navy, the Secret Service and Customs Division of the Treasury, the investigators of the Post Office Department, the Intelligence Division of the Bureau of Labor, and the small force employed by the Department of State perform many important duties, and excellent cooperation has been secured between these different branches of the Government intelligence system and the Bureau of Investigation of the Department of Justice.

The Attorney General is charged by order of the President with the enforcement of the proclamations and regulations governing alien enemies. The department is likewise charged with the prosecution of practically all crimes against the United States, and there is involved in this the necessity for the investigation of the facts on which prosecutions are based. It can be safely said that the Department of Justice makes from 75 to 80 per cent of all the investigations which the Government finds necessary.

We have to-day in this service, or cooperating by definite agreement with the Government, 1,000 men for every 1 man so engaged when war was declared last April. Our official force has been enormously increased. It is supplemented by the police forces of the States, counties, cities, and towns, and by powerful patriotic organizations like the American Protective League, which has over 200,000 members and is operating in over 1,000 communities. These volunteer organizations exercise no governmental powers, but their assistance enables us among other things to investigate hundreds of thousands of complaints and to keep scores of thousands of persons under observation. We have representatives at all meetings of any importance. We use large numbers of men, and some women, who understand and speak the German language. Gatherings of Germans are given special attention.

The preventive measures are of first importance. These are being taken and largely account for the fact that during the first year of the war there has not been in the United States what anyone could properly characterize as an outbreak against the authority of the Government. One thing a German intensely dislikes—and we do not differ from him in that respect—he does not like to be hung. He fears the powerful arm of the Government. The Germans know what is going on, and it is having its effect.

Before the United States became involved in the war we had an experience of two or three years attempting to maintain conditions of neutrality. In that time we obtained a fair idea of the dangerous people in this country, and within a few hours after war was declared the most dangerous Germans were seized and interned. They were apprehended from San Francisco to New York and from the Canadian border to Florida. We then immediately began the system of observation of every man and woman suspected of being dangerous; their associates, language, and actions were noted and reported; as soon as these justified internment the Government acted, and more than ten times the original number have now been confined.

The story that the country is flooded with German spies is a gross exaggeration. There is comparatively little spying done, and the main reason for this is that the men who would be dangerous spies in this country are mostly in detention camps. They have quietly disappeared from their usual haunts and are where they can do no harm. If we were simply intent on banging German spies, the first thing would be to turn these interned persons loose and acts warranting hanging would probably very promptly occur.

I do not believe there is to-day any country which is being more capably policed than is the United States.

Intemperate talking and writing by ill-informed persons affect many weak-minded people. You can never quite overtake a false statement when once it has been uttered and widely published. Many of the authors of such statements are doubtless sincere, believe the wild stories they hear, and disseminate them with no intention of inducing lynching and like lawlessness, but nevertheless such persons are largely responsible for results of this character.

Some weeks ago a high official in what is generally considered a patriotic organization published a statement, which appeared in the New York papers and throughout the country, to the effect that since the declaration of war arms and munitions had been shipped from this country to Germany and that 14 spies had been shot by the United States Government. This person was subpœnaed before a grand jury in order that he might, under oath, verify his statements. It then developed that the statements were without the slightest foundation, and yet to this day thousands and perhaps hundreds of thousands of people in this country believe them.

Recently the statement was generally printed that in a certain Government factory in New York City where gas masks are being produced for our men in France more than 100 employees had been discharged because they had intentionally made the masks defective. A thorough investigation showed that this report was entirely untrue, and that while from 3 to 7 per cent of the masks were defective and were rejected there was not the slightest evidence going to show that this arose from any cause other than those naturally incident to the work. If the facts had been as reported, I would have promptly had the guilty parties indicted for treason and would have done so with a fair hope of securing convictions even under the handicaps imposed upon the Government in a prosecution of that character.

The statement has been made hundreds of times that the Government has been paroling German spies against whom cases had been made out. There was no foundation whatever for such a report. Even of the hundreds interned because it was believed they were dangerous only six have ever been paroled. In one case the man was released for two weeks and kept under observation in order that he might be at the bedside of his wife under trying and painful circumstances, and at the end of that time he was reinterned. Another was the case of a man who was undoubtedly a dangerous alien enemy. The department had reason to believe, however, that there were men higher up who were involved with him, and so he was paroled for 30 days and kept under constant observation, with the hope that his still more dangerous associates might thereby be discovered. At the end of 30 days he was reinterned. The other four were cases of little importance, and after careful consideration it was determined that it was not necessary to intern them longer.

False statements are seldom pure fabrications. They are generally built around some scintilla of truth. This one concerning the paroling of spies grew out of a misunderstanding of the President's proclamations authorizing the interning of alien enemies. Interned persons are not accused of crime, but are men who would probably commit criminal acts if at large. This is the process: The first thing we do is to detain a man if he is suspected. His pedigree, associates, activities, etc., are investigated. If the result is favorable and the man is not found dangerous, he is discharged. If it is concluded that he is dangerous, he is interned. When we detain a man the idea frequently gets out that he is a German spy and the people do not understand his being released.

It has been repeatedly stated that more than $50,000,000 worth of Government munitions and supplies have been burned by German sympathizers during the last year. A few days ago the representatives of the Underwriters' Fire Insurance Association declared that it had not been clearly established that during the year there had occurred a single incendiary fire of the character referred to. Although it has investigated a number of fires in munition factories and Government plants, the Department of Justice has not been satisfied that a single one of them was of incendiary origin. I have had the figures in dollars and cents compiled so as to compare losses by fire during the year 1913 (this being the year before the European war broke out) with those of the year 1917. Taking into consideration the fact that the articles burned in 1917 were worth from 40 to 100 per cent more than like articles were worth in 1913, there has been, in fact, a substantial decrease in losses by fire. In a number of instances it has been conclusively shown that such fires resulted from accident or carelessness.

Notwithstanding the repeated charges that bread was being poisoned and filled with glass, it has not been demonstrated that this had been intentionally done in any case except one. In that instance a German was notified of his discharge by his employer and deliberately put glass in a loaf of bread. It was done with the purpose of having it discovered; it was discovered, and the employer's business was ruined, although that one loaf of bread was probably the only one with glass in it that had ever gone out of his shop. Of course, impurities of various kinds, especially pieces of flint and stone, and occasionally even pieces of glass, are found in bread, their presence being due to carelessness or accident.

Repeatedly it has been stated that German sympathizers were poisoning United States soldiers in the training camps, but no real evidence of this has ever been produced.

Hundreds of papers have published stories about mules and horses of the United States Army being poisoned at drinking troughs. Every case reported has been run down with the utmost care, and in only one instance—in West Virginia—was poisoned water found. Not an Army horse or mule had ever taken a drink at the trough where it was found, nor was it ever contemplated that they should do so. The matter is still under investigation, but the indications are that the water was poisoned by the washing of a bottle or in some other accidental way.

Not infrequently as many as fifteen hundred complaints reach the Department of Justice in a single day. It is safe to say that there is nothing whatever in 95 per cent of these cases, and yet all are thoroughly investigated in order that we may cull out the small number which justify prosecution.

I do not wish to create the impression that there is no danger from German spies and German sympathizers. There are thousands of persons in this country who would injure the United States in this war if they could do so with safety to themselves. However, they are no more anxious to be hung than you are. We are taking nothing for granted, and we are using every possible preventive measure. We are trying to put the fear of God in the hearts of these people, and we have put it there, and it is going to remain there.

The demand is constantly being made that we shoot German spies before breakfast. The Department of Justice is not going to shoot any before breakfast or at any other time, as there is no law under which we can do it. We are going to urge capital punishment in any case where the facts justify it, and I do not anticipate any serious trouble in securing the active assistance of juries and courts whenever such cases are developed.

You may be interested in knowing that I can not recall an instance in which the retailers of the wild stories above referred to and the bitter critics of the enforcement of the law have been able to add a single important fact to those already in the possession of the department.

I urge you gentlemen, through such machinery as you see fit to adopt, to assist in getting before the people of this country the facts that laws are now upon the statute books, or will be within the next few weeks, which will reasonably protect the interior defenses of our country; that an honest, adequate, and earnest force is dealing with this situation, and that unless the hysteria which results in the lynching of men is checked it will create a condition of lawlessness from which we will suffer for a hundred years.

There is another potent reason for sternly repressing these disorders. The cry of the mob is that it is protecting the boys at the front. The reverse is true. No greater wrong can be done to our soldiers in France than that of lynching Germans in America. The story of the death of that German in Illinois is being considered in Germany to-day. Such acts will be seized upon by our enemies as justifying severe reprisals on our soldiers in German prison camps. Having sowed the wind, we will reap the whirlwind.

In the second place, your association can perform a service of almost equal importance by throwing the great weight of your influence against the passage of unconstitutional laws. As long as I am Attorney General of the United States, I shall give the Government the benefit of all reasonable and proper doubts when it comes to the question of the power to be exercised in a time like this, but where there is no really serious doubt as to the unconstitutionality of a measure the duty of all good citizens is plain. There is a feeling that in some way a condition of war suspends the guaranties of the Constitution and justifies the doing of illegal and even criminal acts. I see no room for a substantial distinction between the lawless German autocrat who shoots noncombatants in Belgium and the lawless American democrat who hangs unarmed civilians in America.

From every section of the country comes up the cry that the disloyal and seditious should be tried by military courts-martial and promptly shot. It is hardly conceivable how lawyers acquainted with the three great guaranties of our Constitution and the decisions of our courts can contend that civilians should be so tried at a time when our civil courts are performing their proper functions, and when our country is not being subjected to invasion or rebellion.

In the third place, the Government needs the moral and active support of this great organization in the enforcement of Federal laws. Just before the registration under the draft act, the Illinois Bar Association passed a resolution substantially to the effect that it would not only be an unpatriotic thing for a lawyer to represent a man who was seeking to escape the draft, but that it would be an unprofessional act. Some might be found who would differ with the view so announced. As far as I am concerned, speaking not as a lawyer but as an American citizen, I wish to express my admiration of the action taken. Presumably the draft act will be properly and justly administered, but where the question of military service arises our country is entitled to consideration as against the individual.

Members of your association belong to a select class, who can render a service not obtainable from any other part of our citizenship. One of the finest exhibitions of patriotism this country has known was the quiet offer of the lawyers of the land to act as advisers of all citizens who wished help in construing the somewhat intricate terms of the questionnaires recently issued by the War Department. This work was done by thousands of lawyers.

In this connection I wish to make one further tangible suggestion. We need now, and are going to need quite badly in the future, in a number of sections of the country, a few skilled criminal lawyers of the highest type, men who are great trial lawyers. Especially in the trial of cases of treason and crimes of like gravity, the Government is entitled to the help of the very best men that can be secured from the bar of the Nation. I hope you can organize a movement which will result in having two or three of the greatest criminal lawyers in every judicial district of the United States file with the district attorneys of their respective districts an expression of their willingness to serve the Government in any criminal case in which they are drafted. I sincerely trust that this will be done at an early day in places like Philadelphia, Chicago, Boston, New York, Seattle, San Francisco, and St. Louis. There are many other points of importance, but just at the moment I recall the above as being places where such service is likely to be required in the not distant future. The men of the class I refer to are all beyond the draft age. They can in the way indicated perform a great patriotic service. I have never found the lawyers of this country slackers when a legitimate call of their country was heard and understood. It is true that not all can make the financial sacrifice involved, but most of them can do so, and many of them will do so if given the opportunity.

In the fourth place, I urge this association to thoroughly organize its forces in support of the passage of adequate State laws. Some of the States have passed wonderfully strong laws, but some of them have done nothing whatever. In many sections there is a feeling that this is a national war and that the United States should take entire charge of its prosecution, including the enforcement of penalties for crimes related to the war. As lawyers, you understand how much greater latitude is given to the State legislatures than to Congress in reaching many critical situations. Drastic enforcement of laws against idlers, etc., would be of great benefit in many sections. We need a movement in every State in the Union to supplement with proper laws the more general laws passed by Congress. We are entitled to and expect the hearty cooperation of the legislative and executive departments of the different States, and your earnest help in procuring this is asked for.

The greatest danger to this country is not the German spy or sympathizer who would be glad to convey information or blow up munitions and supplies. The greatest menace is the so-called "respectable pacifist." I can respect a woman who has brought a child into the world and opposes his going forth to battle, but I can not characterize

the male pacifist, who believes there is nothing worth fighting for, as other than a physical or moral degenerate. By the exercise of his baleful influence he is committing the unpardonable crime of stabbing in the back the lads who are fighting at the front for his liberty as well as their own. There is no room for the pacifist in this country. There is no room for neutrality in this country. War has been declared for good and sufficient reasons, and by the war-making power, and this association should in every way set its face against the pacifist and his propaganda.

To sum my suggestions up, they are that the American Bar Association shall bring all of its power and influence to bear upon securing the following results:

(1) The discouragement and suppression of lynch law in every form.
(2) The prevention of the passage of clearly unconstitutional laws.
(3) The enforcement of the Federal statutes.
(4) The passage of supplemental laws by State legislatures and their enforcement by State executives.
(5) The protection of the Nation against the insidious propaganda of the pacifist.

MOTHERS' DAY.

The VICE PRESIDENT laid before the Senate the following concurrent resolution (No. 40) of the House of Representatives, which was read:

Resolved by the House of Representatives (the Senate concurring), That with the approach of Mothers' Day the attention of the Nation be directed to the patriotic sacrifice made by the mothers of our land in freely offering their sons to bear arms, and, if need be, die in the defense of liberty and justice. That, in appreciation of this great sacrifice, the President of the United States be, and he is hereby, respectfully requested to recommend in the observance of Sunday, May 12, 1918, as Mothers' Day, that the people of the United States offer fervent prayers to Almighty God for His divine blessing on the mothers of our country, especially those having sons serving under our flag throughout the world.

Mr. MARTIN. I move that the Senate concur in the resolution of the House just laid before the Senate.

The resolution was unanimously agreed to.

HOUSE BILL REFERRED.

H. R. 10852. An act to provide for the appointment of a commission to standardize screw threads was read twice by its title and referred to the Committee on Standards, Weights, and Measures.

DEPARTURE FROM AND ENTRY INTO THE UNITED STATES.

The VICE PRESIDENT. The morning business is closed.

Mr. SHIELDS. I ask unanimous consent that the Senate proceed to the consideration of the bill (H. R. 10264) to prevent in time of war departure from or entry into the United States contrary to the public safety.

The VICE PRESIDENT. Is there objection? The Chair hears none, and the bill is before the Senate as in Committee of the Whole.

AIRCRAFT PRODUCTION.

Mr. THOMAS. Mr. President, the subject of aviation is now occupying a very prominent place in the public mind and very properly commanding the attention of the people. I therefore notified the Senate yesterday morning that I would speak very briefly concerning one feature of the commercial side of aviation production of which the people have not been advised. It is a very important feature and should be familiar to all who are interested in ascertaining the causes underlying the existing aircraft situation. It is known as the cross-license agreement, which the Manufacturers' Aircraft Association is authorized to execute with producers of planes and parts of planes.

I am disposed to think from the incomplete examination which I have been able to make of these cross-license agreements that it has played and will play a very important part in the production of aircraft. Hence a proper understanding of the present unsatisfactory situation in aircraft production may, perhaps, be in part explained by these agreements which have the sanction both of the aviation authorities and of the Attorney General in so far as the opinion of that official is concerned.

Mr. President, we began to pay serious attention to aviation in the summer of 1916 when conditions between the United States and Mexico became so acute as to justify the Pershing expedition across the boundaries of that Republic. That incident, as time developed, became of comparative unimportance; but it did bring to our attention very vividly the supremely important part which aircraft plays in modern warfare. Therefore appropriations of, I think, about $13,000,000 were provided for aircraft construction in the military bill of 1916. In the act of March 4, 1917, this added provision appears:

To enable the Secretary of War and the Secretary of the Navy to secure by purchase, condemnation, donation, or otherwise such basic patent or patents as they may consider necessary to the manufacture and development of aircraft in the United States and its dependencies for governmental and civil purposes under such regulations as the Secretary of War and the Secretary of the Navy may prescribe, $1,000,000.

The purpose of this appropriation is obvious; the control of basic patents by the Government being then regarded, and I am sorry that it is not now regarded, as essential to successful Government aircraft production.

Very shortly after the adjournment of Congress in 1917 war was declared against Germany, and the military and naval activities of the Government at once demanded and received our constant attention. An advisory committee on aeronautics was created, of which Mr. William F. Durand was made chairman and Mr. S. W. Stratton secretary. That committee has since been commendably active in its efforts to aid in formulating and promoting aircraft production for our war needs.

Among its activities was the question of patent control. For reasons satisfactory to the board and which may, perhaps, be satisfactory to the Nation, it was determined not to purchase or commandeer existing patents regarding aviation, but to make some arrangement of a more satisfactory character regarding them. My own view, Mr. President—and it is fortified by our recent experiences—is that the committee erred in not securing by purchase or by condemning, through powers which Congress would freely have given them, existing patents of an established and fundamental character, because, with their control, agreement for aircraft production based upon basic or original patents, would not be in any wise embarrassed by the personal or selfish interests of outsiders or by conflicts between rival claimants of the inventions. But, however that may be, the fact is that the purchase of patents, and therefore the use of the appropriation for that purpose, was almost immediately abandoned by the committee.

My attention was called some time during the month of February last to the method of procedure receiving the approval of the Advisory Association, and which materialized in the form of a so-called cross-license agreement, under which producers of aircraft, exclusive of motor engines, are, generally speaking, required to operate. I at once applied for and promptly received a copy of that agreement, together with a copy of the proceedings of the committee which preceded and accompanied the formation of the contracts to which I refer. I shall not read the minutes, Mr. President, which comprise 25 pages of typewritten matter, but I shall ask at the end of my remarks to insert those proceedings in the RECORD. It is sufficient for the present purpose to say that the attorneys and representatives of those interested in what are called basic patents, and the representatives of the Aviation Section, after consultation with the Advisory Board, determined upon the preparation of an agreement which would recognize certain basic patents and provide for the issuance by some central authority of licenses to all persons desiring to engage in the manufacture of aircraft upon conditions requiring such manufacturers, among other things, to transfer to the association in whose name the licenses were issued all patents and inventions of their own or which they could control, either basic or otherwise, to the end that each member of the association under the license agreement might have the benefit of these other inventions and developments in their own operations.

At that time, if I am correctly informed, the patents controlled by the Curtiss Co. and the Wright-Martin Co. were either contesting the question of prior invention or were contested by others. Whether the controversies were decided or were in the courts I can not now say; but I think it is understood that no such thing as a recognized patent belonging to any company or individual, and free from challenge as to originality, then existed. The attorney at that time for the Wright-Martin Co., as well as its president, was Mr. Frederick P. Fish, while the attorney for the Curtiss Co. was, and I presume is, a Mr. Crisp.

It was finally determined, Mr. President, to embody the propositions made and accepted at these meetings in the form of what is called a cross-license agreement. That agreement was prepared by one of the attorneys whose names I have mentioned, and in collaboration with others, including the other attorney. Those gentlemen were doubtless as competent, and perhaps more competent than any, to prepare such an agreement; but, so far as one can judge from its recitals, each of them took very good care of his own client, so that the patents controlled by the companies they represented are made basic, fundamental, free from controversy, and, so far as the purposes of the agreement are concerned, established beyond peradventure.

Mr. KING. That is, as between the two parties?

Mr. THOMAS. Yes; and as to all future cross licenses. Just prior to the date of the agreement a corporation—and doubtless in anticipation of it—was organized in the State of New York, called the Manufacturers' Aircraft Association (Inc.). The date of the charter is the 18th of July, 1917, and the location of the company is Manhattan. The incorporators are Joseph S. Ames, W. Benton Crisp, Albert H. Flint, George H. Houston, and John P. Tarbox, of Buffalo, N. Y., all of these gentlemen, I understand, being interested in aviation companies and enterprises, either professionally or as officers and shareholders.

Shortly after the organization of that company, and on the 24th day of July, 1917, the cross-license agreement the details of which had been arranged in previous conferences with the advisory committee, was formally drawn and executed. It is an agreement comprising 12 printed pages, and I shall not weary the Senate by reading it into the RECORD. I shall ask, however, at the close of my remarks to insert it in the RECORD, so that its contents may be generally and fully known.

In connection with the cross-license agreement there was also adopted a form of license to be issued to those desiring or who might be compelled to associate themselves with the association. This license provides, among other things, that the cross-license agreement shall constitute a part and portion thereof. Thus the cross-license agreement is practically embodied by proper recitals into the license itself.

The shares of the Manufacturers' Aircraft Association (Inc.) I understand to be limited to a definite number, and I think that number is 1,000. One share must accompany each license, and the par value of the shares is also $1,000. A thousand incorporators under some circumstances might be considered quite numerous; in aircraft production in times of war the number is comparatively limited; but that limitation, while it does not appear in the cross-license agreement, I am told actually exists. This inevitably tends to monopoly.

Now, to convey an idea as to the probable operation—I will not say "designed operation" of this agreement lest I might reflect unduly upon the advisory board, whose intentions and purposes, I am sure, were above reproach; but as to the operation of the agreement in practice, its consequences may be inferred from a few extracts which I will read from it. Before doing that perhaps I should refer to the so-called license itself, which precedes and embraces the general agreement. Omitting the preambles, which refer to the licensor and certain other stockholders of the Manufacturers' Aircraft Association "herein called the subscribers," it is provided—

That for and in consideration of the premises and other good and valuable considerations * * * the licensor does hereby give and grant unto the said licensee the unrestricted but nonexclusive license to make, use, and sell airplanes under all airplane patents of the United States now or hereafter owned or controlled by it, or by any firm, corporation, or association owned or controlled by it, * * * except that no rights, express or implied, are hereby granted under any foreign patents, nor shall the licenses herein provided for apply to or include the use of said patents in their application to other than airplanes.

Then follows this exception:

That no licenses are hereby granted under the Dunne patents, No. 975,403, issued November 15, 1910, and No. 1,003,721, issued September 19, 1911, the rights under which are held by the Burgess Co.

The Burgess Co. and the Curtiss Co., I think, have consolidated. These patents may possibly refer to watercraft, motor boats, and so forth, and I think one of the patents does; but the exception, nevertheless, is in favor of one of the concerns, the basic character of whose patents is fixed by this agreement, so far as it can do so, and which, as I have said, was drawn by the attorneys for the company receiving the benefit of its operation.

Coming now to the agreement, it will be noted that in the second paragraph there is the same exception. The fourth paragraph provides that—

Each "subscriber" covenants that it has not heretofore entered, and will not hereafter enter, into any contract or arrangement whereby its privileges under United States airplane patents, issued or to be issued, inventions, and rights owned or controlled by it, have been or shall be diminished or surrendered so as to exclude or restrict the operation of this instrument in respect thereto. Each "subscriber" further covenants that it will not grant licenses under any such patents for use in airplanes, with reference to which it is receiving royalties hereunder, to any other person, firm, or corporation on more favorable or lower terms of royalty than those herein provided, or which may become more favorable or lower during the term of such license.

Under the sixth paragraph it is provided that—

If any "subscriber" shall have developed the design or manufacture of any special model of airplane or airplane engine or other device used in an airplane (except the airplanes manufactured by the Burgess Co. under the hereinbefore-mentioned Dunne patents and the Hispanio-Suiza aeronautical engine manufactured by the Wright-Martin Aircraft Corporation or its subsidiaries) which the United States Government may at any time desire to have manufactured in the factory of any other "subscriber" or in the factory of any manufacturer not a "subscriber" hereto, the said "subscriber" agrees that it will furnish to the other "subscribers" or said other manufacturer such complete specifications, drawings, and other production data as may be required for use in the manufacture of such special model, provided that and upon condition that the "subscriber" or other manufacturer in whose factory the work is placed by the United States Government shall agree with said Government and with the "subscriber" owning said specifications, etc., to pay, and shall pay into the treasury of the "company," 1 per cent upon the contract price paid by the Government for each airplane or airplane engine or other device manufactured for it in accordance with said specifications—

And so forth.

That is to say, every person who shall have developed a design, and who shall contract with the Government for manufacture under that design, shall contribute 1 per cent of the price into the treasury of this company, and of course that 1 per cent will be added to what would otherwise be the contract price with the Government.

I read further:

If the manufacturer of such special model is conducted by one not a "subscriber"—

That is, by some nonlicensee—

Such manufacturer shall also agree to pay into the treasury of the "company" such royalty as a "subscriber" would have been obliged to pay had it made and sold the airplane, engine, or other device, including the amount specified in subdivisions (a) and (b) of Paragraph VIII hereof.

That is to say, if an inventor or designer of some improvement in aircraft shall permit the manufacturer of his patented device by some outsider, then that manufacturer must agree with the subscriber that it will pay not only the royalty to which I have referred but other royalties of very much greater amount provided for in other sections of the agreement.

In the seventh paragraph, the subscriber is required to report all United States airplane patents and inventions, together with serial numbers and filing dates of all pending applications, with all rights under such patents then owned or controlled by it; and it also provides that no omission from the report shall exclude the patent, application, or right so omitted from the operation of this agreement. I shall not read all of this paragraph, for it is very long, but it is a very important one. In fact, it may be the fundamental provision of the contract.

Subdivision (d) of this paragraph provides that—

On the 10th day of January, April, July, and October in each year, each "subscriber" shall report the number of airplanes, airplane engines, or other devices for use in airplanes which it has sold and delivered during the preceding three calendar months, made from specifications, drawings, and other production data obtained from any other "subscriber," as provided in paragraph VI hereof, together with the sales price and the dates of delivery; and there shall be included in the same report a copy of any agreement which the "subscriber" shall have made with another manufacturer as provided in said paragraph.

The Senate will see how the business of the subscriber is bound up with this Manufacturers' Aircraft Association. No matter what contract he may make on the outside, no matter what advantages he can secure, the outsider is required, as one of the conditions under which the contract will be made, to become a member of this association, and to abide by its provisions, and, of course, to pay the royalties which are there required.

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

Mr. THOMAS. I yield.

Mr. KING. Some time ago I received a pamphlet purporting to be put out by the Manufacturers' Aircraft Association. It stated that Howard Coffin was an honorary member, and that a man named Waldron was a member of that aircraft association, and that Curtiss, Wright, and a few other names that I recall, were likewise members of that aircraft association. Did that association attempt to monopolize the production of airplanes in the United States, and to exclude all other persons from manufacturing them for the United States?

Mr. THOMAS. Not in terms; but I believe the agreement is that it necessarily operates in that way and reaches that conclusion. I therefore can not escape the conviction that it was designed for that purpose by the men who prepared it.

Mr. KING. Will the Senator state how Mr. Coffin, occupying the position which he did with the Government, could accept a position, either honorary or otherwise, as a member of the Manufacturers' Aircraft Association?

Mr. THOMAS. That assumes that he is a member of it. I am not prepared to say that he is. Of course, if the fact be that men engaged in the service of the United States are also subscribers to the shares of the Manufacturers' Aircraft Association, then the query presented by the Senator from Utah is most pertinent; but I am not prepared to say that his premise is correct. I hope it is not.

The next paragraph, No. VIII, is entitled, "Payments to the 'company.'" That is also divided into subsections (a), (b), (c), (d), and (e).

Subsection (a) provides that on each airplane, with or without engine, the sum of $200 shall be paid to this association until such time as the Wright-Martin Aircraft Corporation and the Curtiss Co. shall have been paid the aggregate sums provided for in the next paragraph.

Subsection (b) provides that upon each airplane such additional sum, not to exceed $25, as the board of directors of the company may from time to time fix, shall be paid after the above-mentioned aggregate sums shall be paid to the Wright-Martin Aircraft Corporation and the Curtiss Airplane & Motor Corporation; also, by subdivision (d), such amounts as may be payable with reference to the use of specifications, drawings, and data as provided in paragraph VI hereof, including the

royalty payments therein provided for; but all 1 per cent payments on account of the use of such specifications, drawings, and data shall cease when the total paid by all users aggregates $50,000.

This is important, because the specifications, drawings, and data are furnished almost entirely by the Curtiss Co. or the Wright Co.; and I may say, Mr. President, that the multitudinous changes in the plans of the Bristol flier, amounting to over 1,100 in one month, were made by the Curtiss Co. Such amount or amounts as may be payable with reference to the use of specifications, drawings, and data may therefore in the aggregate reach considerable magnitude; and, of course, as I have stated, the royalties and requirements of this contract necessarily come out of the Government, because common business practice justifies the assumption that in the details of the contract with the Government these extra requirements will be figured as part of the overhead charge or fixed charge.

Subdivision (e) requires that each subscriber who shall become a party after the 1st day of July, 1917, shall, on the 10th day of January, April, July, or October next occurring, pay to the company those amounts which it would have been obliged to pay if it had been a subscriber on July 1, 1917. In other words, if the Senator from Utah should be so fortunate—or perhaps I should say so unfortunate—as to devise some aircraft improvement which he could only use through the agency of this cross-license agreement, he would be required not only to pay the prospective royalty provided for in his license, but he would also be required to pay royalties as though he had signed up on the 1st day of July, 1917. That provision has all the features of the old darky's celebrated coon trap, which was said to be so "sot" as to catch the coon "a-comin," and also to catch him "a-gwine."

Now comes "Payments by the company," Subparagraph IX:

Out of the moneys paid into the treasury—

And the Senate will bear in mind that on March 4, 1917, the Congress appropriated a million dollars for the purchase of basic patents, and, of course, would have subsequently appropriated any amount in addition to that which was necessary for fair compensation for the acquisition of these so-called basic patents if that policy had been followed—

Out of the moneys paid into the treasury of the "company" pursuant to the provisions hereof the following payments shall be made by the company on the 20th day of January, April, July, and October in each year, to wit:

(a) To the Wright-Martin Aircraft Corporation $135 on each airplane, with or without engine, with reference to which payments shall have been made in accordance with subdivisions (a) and (e) of Paragraph VIII hereof, during the preceding three calendar months, until United States Patent No. 821393, issued May 22, 1906, shall have expired, or until the aggregate sum of $2,000,000 shall have been paid to the said Wright-Martin Aircraft Corporation, when all payments to it hereunder shall cease, except as hereinafter provided.

Subdivision (b) provides that there shall be paid to the Curtiss company $40 on each airplane, with or without engine, with reference to which payments shall have been made in accordance with subdivisions (a) and (e) of Paragraph VIII, which shall continue until such time as the Wright-Martin Aircraft Corporation shall have been paid in full as provided for in subdivision (a), after which there shall be paid to the Curtiss Airplane & Motor Corporation at the times herein mentioned the sum of $175 on each of said airplanes until the aggregate sum of $2,000,000 shall have been paid to it under its patent.

So that the primary burden placed by this contract upon aircraft production is $4,000,000, $2,000,000 to each of these concerns. I have been informed that quite recently, and since the aircraft situation has become acute, these sums have been reduced to $1,000,000 each; and if that is the case, of course it is a gain to the Government which we should recognize.

Then there are provisions with regard to the disposition of the balance of the money received from royalties, and the imposition of penalties, and so on.

We now come to the result of breach of agreement. I do not know that it is necessary to read these provisions regarding breach of the agreement and withdrawal from the agreement. I may say, however, that it is provided that in the event of breach of agreement the board of arbitration will assess such damages and impose upon the subscriber in default such other requirements as seem to the board to be just, and the subscriber expressly agrees and covenants that it will pay those damages and comply with such agreements.

It is then provided that nothing contained in the paragraph shall deprive the company of the power to make, execute, and deliver licenses under the patents or patent rights owned and controlled by any defaulting subscriber, or to which the subscriber may be entitled, at the time he ceases to be a stockholder. One may default after becoming a licensee; one may commit a breach of the agreement after becoming a licensee; one may therefore be expelled from the company, but his patent, the agreement for patent, and the contracts outstanding remain with the company.

In the event a subscriber desires to withdraw from the agreement he can do so after 10 years from its date, but he must give notice of his election to do so and must also fulfill all of his obligations, but all of the patents and patent rights brought in by the subscriber remain to the association.

In the event of the death of a subscriber, or the dissolution of the corporation, or the bankruptcy of the corporation or the individual who is a subscriber, the company retains the right to purchase, for the benefit of the other subscribers, the stock and the license, and then to sell them on company account at a price to be fixed by arbitration.

There is also a provision for the arbitration of disputes, which is elaborately provided for, and which in this discussion is comparatively unimportant.

Now comes a clause for the further protection of the two concerns whose attorneys prepared the agreement. I read Paragraph XIV:

The "subscribers" hereby waive and release any and all claims which they or any of them may have had against each other for damages and profits on account of any infringement or alleged infringement, prior to July 1, 1917, of any patent included within this instrument in the manufacture, sale, or use of airplanes.

And the fifteenth paragraph provides:

Each "subscriber" agrees that all persons, firms, and corporations now or hereafter controlled by it, and engaged in the manufacture of airplanes, or owning or controlling United States airplane patents, shall be caused to execute this agreement.

Mr. President, were it not for the opinion of the Attorney General I would not hesitate to affirm that this contract is one under which a gigantic monopoly in aircraft production must inevitably ensue. I think I will go further, and say that that was the purpose in mind, so far as the beneficiaries of the agreement are concerned, when the instrument was prepared. But the Attorney General was called upon for an opinion regarding this contract, which he gave on the 6th day of October, 1917, which I shall also ask to have inserted in the RECORD at the end of my remarks.

Mr. President, I shall not read this opinion, which is somewhat long; but I am satisfied in my own mind, at least, that but for the emergency, but for the necessity of airplanes, and airplanes as soon as possible, this contract never would have passed the appro ing scrutiny of the Department of Justice. I will read one extract only from the opinion in justification of this statement:

The provision requiring subscribers to submit claims for compensation in respect to patents subsequently acquired by them to a board of arbitrators and to license each other under such patents at the rates of royalty fixed by that board might possibly be used to secure valuable inventions at unreasonable compensation. * * * Its possible abuse * * * scarcely justifies its condemnation in the absence of such abuse.

That seems to damn this contract with very faint praise indeed. If the possible abuse of an agreement like this does not justify its condemnation until the abuse appears, then laws designed to prevent the creation of instrumentalities for preying upon the public unduly would certainly be harmless and wholly ineffective.

I do not at all reflect upon the Department of Justice in making this criticism. It acted conscientiously and sincerely. But I must dissent from its opinion regarding the harmless character of this agreement, and I do not believe the department was aware how and by whom it was prepared.

Mr. President, I affirm that this agreement tends to produce monopoly, first, because it draws within its ownership all patents except improvements upon engines and motive power, all patents existing or to exist affecting the industry. It secures absolute ownership to the extent that when the subscriber withdraws he can not take his patents with him. That being the case, the inventor of a new design can not manufacture himself if those engaged in the particular industry are bound by this cross-license agreement except upon such terms as the association imposes.

Mr. CHAMBERLAIN. Mr. President——

Mr. THOMAS. That association, in the natural course of things, will secure these patents at its own price, and that price we know will be fixed so low as to discourage the inventive genius of the American citizen. I yield to the Senator from Oregon.

Mr. CHAMBERLAIN. May I ask the Senator to yield to me that I may introduce a resolution and have it referred, a resolution bearing upon the same matter he is now discussing?

Mr. THOMAS. Certainly.

Mr. CHAMBERLAIN. I submit the following resolution and ask that it be read.

The VICE PRESIDENT. It will be read.

The Secretary read the resolution (S. Res. 241), as follows:

Resolved, That the Committee on Military Affairs, or any subcommittee thereof, be, and is hereby, authorized and directed to inquire into and report to the Senate the progress of aircraft production in the United States, or into any other matters relating to the conduct of the war, by or through the War Department; that said committee, or any subcommittee thereof, may sit during the sessions or during any recess of the Senate; to require by subpœna or otherwise the attendance of witnesses and the production of books, documents, and papers; to take the testimony of witnesses under oath, either orally or by deposition; to obtain documents, papers, and other information from the several departments of the Government or any bureau thereof; to employ stenographic help, at a cost not to exceed $1 per printed page, to report such testimony as may be taken; to employ such agents or assistants as may be necessary; and that all expenses, including traveling expenses contracted hereunder, shall be paid from the contingent fund of the Senate.

The VICE PRESIDENT. The resolution will be referred to the Committee to Audit and Control the Contingent Expenses of the Senate.

Mr. KING. May I ask the Senator from Oregon a question? Does the resolution in terms warrant the investigation by the committee or the subcommittee of the expenditures which have been made by the Government for the acquisition of aircraft, as to the purchase and development of aircraft?

Mr. CHAMBERLAIN. It is my purpose to have it cover all those subjects.

Mr. KING. In my opinion the committee ought to ascertain what has been done with the appropriations heretofore made by Congress and determine definitely the use of the money which has been expended.

Mr. CHAMBERLAIN. It covers all those points.

Mr. LEWIS. Mr. President, if the Senator from Colorado will permit me, while the Senator from Oregon, the chairman of the Military Committee, has this subject before the Senate, is it the desire of the Senator to have the resolution now passed?

Mr. CHAMBERLAIN. No; it goes to the Committee to Audit and Control the Contingent Expenses of the Senate.

Mr. LEWIS. Then, of course, it is not the subject now of any discussion. I misunderstood; I thought the Senator was moving for immediate passage. I did not rise to obstruct, but I did rise for information concerning it.

Mr. THOMAS. Mr. W. H. Fauber, of Brooklyn, is an inventor of a hydroplane, and is evidently well informed upon the general subject of aircraft.

Mr. KING. Before the Senator passes from the subject of the opinion given by the Attorney General, with his permission, I should like to ask him a question.

Mr. THOMAS. Certainly.

Mr. KING. I am somewhat at a loss to understand how the Attorney General would give an opinion upon a matter so important and a matter which one would think in the natural course of events would find its way into the courts and receive judicial construction; that is, the contract in controversy would receive a judicial construction. It would seem to me like the Attorney General was deciding a moot case and giving an opinion in advance of the occasion for the giving of an opinion that would bind the Government.

Mr. THOMAS. The opinion was given at the request of the advisory board. I think the practice is not unusual, and it was doubtless upon the strength of the opinion that the board accepted the terms of the contract.

Mr. Fauber has written and distributed a pamphlet entitled "The Men Who Can Win the War, or Things that Should Be Known at the Capitol." This pamphlet is directed to the agreement, which he calls a secret agreement. I presume he does so because he made an application for a copy of it and was refused, so he says. This pamphlet, however, is quite illuminating, and the reasons which he assigns for the annulment of this agreement seem to me to be well supported by its text. Therefore I can, I think, economize time by making his assigned reasons my own and reading them into the RECORD:

The cross-license agreement should be annulled—

First. Because it confers autocratic powers on powerful corporations and has created an organization in the Manufacturers' Aircraft Association (Inc.) whereby corporations can substantially control inventions and patent values and dominate the aircraft industry as an Aircraft Trust.

Second. Because said agreement involves contractual relations and is, in effect, a combination between corporations and the United States Government now operating to control inventions, patent values, and an industry to the advantage of powerful corporations and against the best interests of the people and the efficient prosecution of the war.

Third. Because the terms of said agreement, and also the declarations and acts of the National Advisory Committee for Aeronautics arbitrarily fix certain unadjudicated patents of questionable value and doubtful utility as fundamental in the aircraft art and without due authority or competent procedure.

Fourth. Because said agreement, as a cross-license instrument, ostensibly providing for the arbitration of patent values, does not make adequate or fair provisions for the purchase of valuable inventions, nor do the corporations controlling said agreement seemingly give any guaranty that the small sum of $25 as additional royalties per machine, which they may, at their pleasure, charge the licensees and collect, they may, at their pleasure, charge the licensees and collect of the Government, shall go to the benefit of inventors of useful inventions or to the purposes for which it is seemingly provided.

Fifth. Because said agreement does and will operate to defeat the purposes and intent of the United States patent laws, and by its provisions indicates an intent to dominate aeroplane inventions and the industry.

Sixth. Because the terms of the said agreement and its operation will be such as to practically immune the Wright and Curtiss Corporations and the members of the Manufacturers' Aircraft Association (Inc.) from any responsibility for infringement, in the case of disputed inventions embodied in aircraft built by the members of the Manufacturers' Aircraft Association (Inc.) for the United States Government, and since said corporations will be relieved of the penalties of infringement there is little incentive or reason compelling any fair consideration of patents.

Seventh. Because there were no substantial grounds or compelling reasons warranting the action of the National Advisory Committee for Aeronautics in approving or having any part in creating a cross-license agreement which is vicious in scope and principle and, furthermore, an agreement which is partial to powerful corporations and discriminates against inventors, patent owners, and independent manufacturers of aircraft.

Eighth. Because the subcommittee on patents, having as two of its members the attorneys of the Wright and Curtiss Corporations, viz, Attorneys Crisp and Fish, said subcommittee was not properly constituted for the purpose of dealing fairly with the conflicting interests of the United States Government and the people, the interests of the Wright and Curtiss Corporations, and that of inventors and owners of patents generally.

Ninth. Because of said cross-license agreement enabling powerful corporations to arbitrarily control aeroplane inventions and patents and thereby dominate the industry, as a result inventors and engineers will be deterred from making inventions and improvements in aircraft and aerial apparatus and prevented in securing money to carry on such work, and for the same reason capital and independent manufacturers will be deterred from engaging in the industry, and as a consequence and because of the power of the association and corporations dominating the industry prices will be advanced and fixed, and the Government will pay more for aircraft, and the whole industry will be retarded by the shutting out of a large percentage of inventors, engineers, designers, and independent manufacturers, such as normally engage and compete in business, and whereby the United States has led the world in the automobile and other industries which have been less hampered.

Tenth. Because said cross-license agreement, being of a nature to create a vicious monopoly and retard the perfection and development of aerial apparatus for this war and at the same time advance the cost to the Government by preventing legitimate rights and purposes of patents, and likewise all corporation enterprise, with the possibility of resulting in overrestricting legislation in both cases; and these things, as herein enumerated and pointed out, proving true, as I believe they are, the acts of the National Advisory Committee for Aeronautics in recommending and sustaining said cross-license agreement will tend to weaken confidence and support of the administration and correspondingly the Nation's best efforts in this war.

Eleventh. Because the policy of this Government should be to place orders for aircraft and aerial apparatus with a view of building up and stimulating independent manufacturers and thereby laying the foundation for a healthy, normal, commercial industry and at the same time improving the product and enable the Government to purchase war equipment at best advantage.

Mr. Fauber can not join this cross-license agreement and manufacture his planes for the Government unless he surrenders to the association his patents not only during his membership of it but for all time; and, of course, the same conditions surround everyone, whether he is at present an inventor or not, and very naturally discourages him from going to the expense, to say nothing of giving his time and energies to the improvement of aircraft now so greatly desired.

Mr. President, as I said, my conclusions may be erroneous. I confess that I have not had time to give this subject full and exhaustive investigation, but I can not understand why the great manufacturers of aircraft at the time the war began, unless they intended to control aircraft production absolutely, should have insisted upon the execution of such an agreement, because they are practically independent of all attacks upon their patents and at the same time are given the power through their agreement—and it is their agreement largely—to absorb all other devices, all other inventions relating to aircraft, and by that means acquire the benefit of the experiences of others at figures to be dictated by themselves. It looks like profiteering without any limitation, and I fear that much of the difficulties and disappointments which the Nation has encountered in attempting to carry out its aircraft program is due to the fact that all these conditions bestride the industry like a colossus. Of course, they have much to say in the granting of contracts to others, because would-be contractors, the owners of independent concerns, can be easily outbid if they decline to submit to the yoke, and when they must submit it is upon terms dictated by the association. The agreement is un-American; it is undemocratic; it is wrong. In my judgment it should be annulled without further delay.

Mr. President, I could refer to some other aspects of this subject; but I think I have said enough to acquaint the Senate and, I trust, the country with the chief features of this most remarkable agreement. The time of the Senate is very precious at present, a number of important measures are upon the calendar which must be considered, and I shall therefore content myself

at this time by asking to have inserted in the RECORD: First, the section of the act of March 4, 1917, which I have read; second, the record of the proceedings of the advisory association forwarded to me by letter from the Secretary dated April 11, 1918; third, the letter of the secretary of state of New York giving the names of the incorporators of the Manufacturers' Aircraft Association; fourth, the opinion of the Attorney General just referred to; and lastly, the agreement itself, dated July 24, 1917.

The PRESIDING OFFICER (Mr. STERLING in the chair). Without objection, it is so ordered.

The matter referred to is as follows:

[Act of Mar. 4, 1917.]

To enable the Secretary of War and the Secretary of the Navy to secure by purchase, condemnation, donation, or otherwise such basic patent or patents as they may consider necessary to the manufacture and development of aircraft in the United States and its dependencies for governmental and civil purposes, under such regulations as the Secretary of War and the Secretary of the Navy may prescribe, $1,000,000.

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NATIONAL ADVISORY COMMITTEE FOR AERONAUTICS,
Washington, D. C., April 11, 1918.

Hon. CHARLES S. THOMAS,
United States Senate, Washington, D. C.

DEAR SENATOR THOMAS: Replying to your letter of the 10th instant requesting certain information as to the cross license agreement of the Manufacturers' Aircraft Association, dated July 24, 1917, you are advised that Messrs. Fish and Crisp served as members of our subcommittee on patents, which consisted also of Messrs. Walcott, Stratton, Towers, Waldon, and Durand.

Messrs. Fish and Crisp had previously served as attorneys for the Wright and Curtiss companies, respectively, in their suit over the validity of the Wright patent. These men were not appointed on the committee until after the important features of the then proposed agreement had been decided upon, and they were selected to assist in the preparation of the agreement in legal form, partly because of their familiarity with the general subject of aeronautic patents and partly because of their familiarity with the cross license agreement adopted by the National Automobile Chamber of Commerce.

For your further information I am inclosing an extract from the last Annual Report of the Executive Committee of the National Advisory Committee for Aeronautics bearing on the aeronautic patent question (pp. 12 to 25, inclusive).

Very truly, yours,

J. F. VICTORY,
Assistant Secretary.

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[Extract from annual report executive committee National Advisory Committee for Aeronautics, 1917.]

THE AERONAUTIC PATENT QUESTION.

On December 18, 1916, the Wright-Martin Aircraft Corporation, as holders of the original patent No. 821393, issued to the Wright Brothers May 22, 1906, addressed letters to all the aircraft manufacturers, inclosing a form of license agreement for the use of the Wright patent, which they claimed was infringed by their manufacture of aircraft.

The terms of this proposed agreement, as stated by other aircraft manufacturers in letters addressed to the committee, were prohibitory from a business point of view, and also injurious to the development of aircraft and the aircraft industry in the United States.

The chairman reported the correspondence on this subject at the meeting of the executive committee on January 11.

The effect of the proposed action of the Wright Co. was felt by the War and Navy Departments in a pronounced increase in the cost of aircraft. On January 13, 1917, the committee received the following letter from the Acting Secretary of the Navy:

"MY DEAR MR. WALCOTT: I desire to bring to the attention of the executive committee of the National Advisory Committee for Aeronautics a serious state of affairs which is being brought about by the uncertainty of the situation as regards aeronautic patents.

"Various combinations are threatening all other airplane and seaplane companies with suits for infringements of patents. The result is a general demoralization of the entire trade. It is difficult to get orders filled because some companies will not expend any more money on their plants for fear that suits brought against them will force them out of business.

"To protect themselves in case they are forced to pay large license fees, the companies have greatly increased the sale prices of their products. As the Army and Navy are the principal purchasers of aircraft in this country they are bearing the brunt of this levy.

"It is thought that the National Advisory Committee for Aeronautics might be able in some way to render great assistance to the Navy by undertaking a study of this question and suggesting some line of action to be taken."

On January 31 the committee received the following letter from the Acting Secretary of War:

"SIR: In connection with the purchase of airplanes for the War Department, it has developed that certain patents which are alleged to be fundamental now appear to render the cost of airplane equipment excessive and, possibly, even to retard the development of the industry in this country.

"This department finds that at present each firm or corporation accepting War Department contracts adds to its bid the extra item of royalty which the firm is required to pay to the owners of the patents. This, among other things, has resulted in what is believed to be excessive prices charged to the Government for airplanes in this country.

"It is believed that this is a subject of such importance as to warrant its immediate consideration by your committee, to the end that a just and equitable solution to all concerned may be reached, which will apply not only to this department, but to all other departments of the Government purchasing airplanes."

In response to a letter requesting his opinion, Mr. Howard E. Coffin, of the Council of National Defense, wrote under date of January 30, 1917:

"I am thoroughly of the opinion that we should take such steps as will open up the Wright patent freely to all manufacturers. It may be wise to use this patent as a rallying point for the industry, but no financial penalty of consequence should be exacted from individual manufacturers. It is only through some such arrangement as will permit the free extension of commercial possibilities of aircraft through civilian channels that we may hope to build up a proper volume of business over a period of years.

"In short, I believe we can and must arrange for a purchase of this patent on the part of the Government at a reasonable figure before we can hope to develop a quantity manufacture of aircraft."

A special meeting of the executive committee was held February 1, at which the chairman presented the complete record of the patent question to date for the action of the committee.

The committee discussed the advisability of recommending legislation to authorize the purchase and condemnation of such patents as may be considered necessary to the manufacture and development of aircraft.

Another special meeting was held on February 3, 1917, at which Messrs. E. F. Hagar and Frederick P. Fish, president and counsel, respectively, of the Wright-Martin Aircraft Corporation, were present on invitation.

The chairman stated that this special meeting had been called to obtain the views of the Wright-Martin Aircraft Corporation in relation to the Wright patent, and, if possible, reach some understanding that would encourage development in the industry.

At this meeting it developed that Mr. Wright has no interest whatever in the Wright-Martin Aircraft Corporation, having been paid a little more than a million dollars in cash for his patent; that this patent was used as a basis for interesting capital in the new company in the belief that it was basic and fundamental.

The Wright representatives stated that they believed the required license fee of $10,000 a year was equitable, and that any manufacturer who could not afford to pay it was not in a position to help in the development of the industry along scientific lines, and that, in other words, the manufacturer with a limited amount of capital invested in his business could not possibly make airplanes successfully in the present advancing state of the art.

They explained the position taken by their company and reviewed the history of its formation. They stated that their basic idea was to develop an aeronautic engine superior to any other in existence, and that to this end they were expending large sums of money in a scientific study of the problems involved, at a total of approximately half a million dollars monthly for all purposes, and were endeavoring to gather into their organization the best available talent.

After three hours' discussion, during which the position of the Government was clearly explained by the committee, the representatives of the Wright company expressed a willingness to cooperate with the Government in any way that would promote the development of the industry, and stated that they desired to clear the industry of fear of patent litigation.

Various suggestions were discussed as to the terms under which this cooperation could be effected.

A special meeting was also held on the following day, Sunday, February 4, 1917, at the residence of the chairman, at which the steps thus far taken were reviewed and discussed.

As a result of careful deliberation, a letter to the President was prepared and transmitted under date of February 5, 1917. With this letter the chairman inclosed copies of the letters of the War and Navy Departments previously referred to; a copy of the letter of the Wright-Martin Aircraft Corporation of December 18, 1916, together with the application for license and form of agreement; and extracts from letters received from six aircraft manufacturers in the United States expressing their views of the situation.

This letter contained a brief review of the situation and a recommendation that legislation be approved in the form of an amendment to either the military or naval bill authorizing the Secretary of War to secure by purchase, condemnation, donation, or otherwise such basic patent or patents as he may consider necessary to the manufacture and development of aircraft in the United States and its dependencies for governmental and civil purposes, under such regulations as the Secretary of War may prescribe.

After approval by the President, the recommendations of the committee were transmitted by the Secretary of the Navy to the chairman of the House Naval Affairs Committee.

On February 20, 1917, letters were addressed to the larger aircraft and engine manufacturers requesting the submission of lists of all patents owned or controlled by them which pertain to aircraft or parts of aircraft.

A meeting of the subcommittee on governmental relations was held on February 24, at which Messrs. Walcott, Stratton, Squier, Marvin, and Coffin were present; also Mr. John P. Tarbox, patent attorney for the Curtiss Aeroplane & Motor Corporation. The purpose of the meeting was to ascertain the number and nature of the aeronautic patents owned or controlled by the Curtiss Co. From the data exhibited by Mr. Tarbox it appeared to the committee that the patent situation in the aeronautic industry was relatively simple as compared with that formerly existing in the automobile industry; that the Curtiss Co. owned a comparatively large number of patents; that the Wright-Martin Aircraft Corporation owned a possibly basic patent; and that there were but very few other scattering patents, none of which was of great importance.

Mr. Tarbox stated that Mr. G. C. Loening, of the Sturtevant Aeroplane Co., has a patent on a bridge-type landing gear, but that it is not of a controlling nature. He stated that he knew of no patents other than those owned by the Curtiss and Wright companies that might be considered basic. He stated that the Curtiss Co. had two controlling patents at present and expected to have a third in the near future. The first one (No. 1203550) covers a hydroaeroplane as regards longitudinal balance; the second patent, known as the "flying boat" patent, covers the relation of the position of the hull step to the center of pressure, the center of gravity, and the center of thrust; and the third patent will cover the single, central, mail float type, with two side floats. He stated that Mr. Curtiss has had no idea of demanding royalties from other manufacturers under existing conditions or of using his patents against competitors; that his purpose in obtaining patents was to fortify and defend himself in any patent litigation that might be started by others.

The naval appropriation act of 1918 contained the following provisions under the appropriation "Aviation":

"To enable the Secretary of War and the Secretary of the Navy to secure by purchase, condemnation, donation, or otherwise such basic patent or patents as they may consider necessary to the manufacture and development of aircraft in the United States and its dependencies, for governmental and civil purposes, under such regulations as the Secretary of War and the Secretary of the Navy may prescribe, $1,000,000.

"*Provided*, That such arrangements may be made in relation to the purchase of any basic patent connected with the manufacture and development of aircraft in the United States as in the judgment

of the Secretary of War and the Secretary of the Navy will be of the greatest advantage to the Government and to the development of the industry.

"*Provided further*, That in the event there shall be pending in court litigation involving the validity of said patent or patents, bond, with good and approved security in an amount sufficient to indemnify the United States, shall be required, payable to the United States, conditioned to repay to the United States the amount paid for said patent or patents in the event said patent or patents are finally adjudged invalid."

In letters dated March 10, 1917, the attention of the Secretary of War and the Secretary of the Navy was invited to the foregoing provision in the naval act, and the committee stated that it hoped to effect such arrangements for the solution of the patent question without the necessity of purchasing or condemning any patents.

On March 22, 1917, the subcommittee on patents held a meeting, at which a suggested plan for the solution of the patent question was adopted. The committee then called in representatives of the Wright-Martin and Curtiss companies and the Aircraft Manufacturers' Association and submitted for discussion the terms of the suggested agreement, which, it was pointed out, were merely suggestions.

On March 23, 1917, the subcommittee on patents submitted the following report reviewing the steps taken up to date and suggesting a plan for the solution of the patent question:

"On March 2, 1917, Congress appropriated $1,000,000 'to enable the Secretary of War and the Secretary of the Navy to secure by purchase, condemnation, donation, or otherwise such basic patent or patents as they may consider necessary to the manufacture and development of aircraft in the United States for governmental and civil purposes.' This action was taken on account of the general belief that the needed expansion of the aircraft industry, calling for the investment of large sums of money, was being very seriously impeded by threatened lawsuits and the demand for the payment of what was looked upon as excessive royalties under certain important aeronautical patents. One such demand upon the manufacturers called for a royalty of 5 per cent on the price of the complete plane with motor and a minimum annual payment of $10,000 per manufacturer.

"All makers in bidding for Government business were obliged to add to their bids an extra amount representing the royalty they would have to pay under this one patent alone, and the Army and Navy were confronted with many bids in which the contingent royalty amounted to over $1,000 per aeroplane.

"The National Advisory Committee for Aeronautics, in whose hands the problem was placed for recommendation, realized that it would be undesirable to use the fund provided for the purchase of patents until every means had been exhausted to secure a settlement on a reasonable basis between the different parties in interest. It realized that even in our present need it would be unwise to condemn a patent except as a last resort. The National Advisory Committee for Aeronautics is particularly anxious to encourage invention along aeronautical lines instead of discouraging it.

"In reviewing the records of the Army and Navy Departments as to planes purchased during the eight years prior to our recent heavy appropriations for aerial defense, it was brought out that four men in four different factories supplied all of those planes and apparently contributed most in the development and reduction to practice of the aviation art. Those named in the order of their appearance on the records are Wright, Curtiss, Burgess, and Martin. By a strange coincidence, Curtiss and Burgess joined hands and later the Wright and Martin interests came together.

"While there are other aircraft patents, it was found that these two combinations owned and controlled what might be considered the two dominating groups of patents.

"The national advisory committee has therefore been influenced to a slight extent in its consideration of the patent question by the moral obligation that should be added to the patent rights of these two groups. Recognition of the two groups of patents by the later industry and by the Government becomes automatically recognition of practically all of the actual reduction of the art to practice by Wright, Curtiss, Burgess, and Martin.

"Numerous meetings were held in New York, Buffalo, and Washington, in an endeavor to arrive at a basis of settlement that would comprehend all of the patents owned or controlled by each group, that would be a fair recognition of their patent rights, and that would at the same time cement together and strengthen the industry.

"The plan finally agreed upon by the committee and submitted to the two companies for their consideration and early report is framed upon the following basis:

"First. That it is desirable to avoid the delays and expense necessary to adjudicate all of the patents in question.

"Second. That it is not within the province of this committee to attempt to determine the value of one patent against another or the validity of any patent.

"Third. That it is desirable at once to arrive at some fair basis for the recognition of the patents of both parties that will clear up this matter and permit the more rapid expansion of the industry.

"Fourth. That the relative contributions to the establishment of the aircraft industry as between Wright and Martin on the one hand and Curtiss and Burgess on the other hand may be paid to offset each other, and that the recognition of each should be in the same total amount.

"Fifth. That by reason of Curtiss's patents running approximately three times as long as Wright's, the royalty to the Curtiss-Burgess group might be made about one-third of the amount per plane to be allowed to the Wright-Martin group.

"Sixth. That instead of endeavoring to establish a difference as between an airplane, seaplane, or flying boat, the royalty should be spread uniformly upon all three types.

"Seventh. That the royalty should be a flat rate on each plane with or without engine instead of a percentage of cost or selling price.

"Eighth. That royalty should commence upon all planes manufactured and sold after March 2, 1917, and that those manufactured and sold prior to that date be exempted from royalty.

"In submitting this plan, the National Advisory Committee for Aeronautics have not attempted to draw up a finished legally approved agreement, but instead to present its plan in the simplest possible form.

PROPOSED PLAN.

"First. That all airplane manufacturers as members of the Aircraft Manufacturers' Association join in a cross-licensing agreement as of March 2, 1917.

"Second. That this agreement cover all patents now owned or controlled by or which may later be owned or controlled by the Aircraft Manufacturers' Association or any of its members; the terms of the cross-licensing agreement to be in general based upon the similar agreement existing in the National Automobile Chamber of Commerce known as the cross-licensing agreement.

"Third. That each member pay into the treasury of the Aircraft Manufacturers' Association the sum of $200 for each airplane manufactured and sold (with or without engine) by that member, these payments to be made quarterly, and to continue subject to the conditions hereinafter provided.

"Fourth. That the funds thus collected be disposed as follows:

"At each quarterly period for each airplane manufactured and sold during the preceding quarter there shall be paid, $135 to the Wright-Martin Aircraft Corporation, $40 to the Curtiss Aeroplane & Motor Corporation, and $25 to the treasury of the Aircraft Manufacturers' Association, to cover its operating expenses and to create a fund for further development.

"Fifth. Payment to the Wright-Martin Aircraft Corporation shall cease May 22, 1923, and payment to the Curtiss Aeroplane & Motor Corporation shall cease at such time as the total amount paid to them shall equal the amount paid to the Wright-Martin Aircraft Corporation, but in any event shall cease October 30, 1933.

"Sixth. After May 22, 1923, the amount paid per airplane by each manufacturer shall be reduced by the amount of the Wright-Martin royalty, which will have ceased on that date, and shall thereafter be $65 per airplane manufactured and sold during such remaining period as payments of royalty are made to the Curtiss Aeroplane & Motor Corporation, as above provided for.

"Seventh. An airplane as herein mentioned shall be understood to mean any form of heavier-than-air craft using wing surfaces for sustentation, stabilizing surfaces, rudders for steering, and power plant for propulsion through the air, whether operated from land or water."

On the same date copies of the report of the subcommittee on patents were sent to the Secretaries of War and the Navy, the Wright and Curtiss companies, and the Aircraft Manufacturers' Association.

At a meeting of the subcommittee on patents on April 24, 1917, it was recorded as the sense of the meeting that the Aircraft Manufacturers' Association should undertake the negotiations necessary to effecting a cross-licensing agreement, and that this committee is willing at the present time to assist in an advisory capacity only, and the Aircraft Manufacturers' Association was so advised.

After the appointment of Messrs. Crisp and Fish as members of the subcommittee on patents efforts were made to bring these gentlemen together in conference to work out the details of the suggested agreement.

No action having been taken by the Aircraft Manufacturers' Association or the respective interested parties, the executive committee, on June 14, authorized the patents committee to take whatever steps appeared necessary to effect a solution of the question, and recommended that in the matter of royalties to be paid to the Wright and Curtiss companies a reasonable maximum be agreed to, not to exceed $2,000,000 to each company.

At the meeting of the executive committee on June 14, 1917, there were present Messrs. Walcott, Stratton, Durand, Marvin, Squier, Taylor, Towers, Richardson, Foulois, Waldon, Coffin, and others.

After presentation of the report of the patents committee and discussion of the question, on motion duly seconded and carried it was—

"*Resolved*, That the patents committee be authorized to take whatever steps appear necessary to effect a solution of the patent question, and that the executive committee recommend that in the matter of royalties to be paid the Wright and Curtiss companies a reasonable maximum be agreed to, not to exceed $2,000,000 to each company, and further, that the patents committee be instructed to hold a meeting on Monday, June 18, to consider this question to which representatives of the Wright and Curtiss companies and of the Aircraft Manufacturers' Association should be invited."

The subcommittee on patents accordingly held a meeting on June 18, at which representatives of the Wright and Curtiss companies and of the Aircraft Manufacturers' Association were present.

At this meeting the provisions of the plan suggested on March 23, 1917, were taken as the basis for discussion and all phases of the general proposition were canvassed.

The members of the patents committee withdrew for an executive session, at which after deliberation and on motion duly seconded and unanimously carried, the following report was adopted:

"It is recommended that the 'proposed plan' for the solution of the patent situation between the Wright-Martin and Curtiss-Burgess groups, as submitted in the report of the patents committee dated March 23, 1917, be followed out in all essentials with the following exceptions:

"a. It is recommended that the agreement be not made retroactive to March 2, 1917, but be made to take effect July 1, 1917.

"b. That in no case shall there be more than $2,000,000 paid to either the Wright-Martin or the Curtiss-Burgess groups."

The above report was presented to the manufacturers, and it was accepted without reservation by the Curtiss Co., and by the Wright Co., with a reservation as to sublicensing the Hispano-Suiza engine.

The committee discussed the subject of compensation to aircraft manufacturers for the placing by the Government with other manufacturers the plans, specifications, heat treatments, factory methods, etc., of any manufacturer's design of airplane.

After discussion and deliberation, it was recorded as the sense of the meeting that separate agreement from the proposed cross-licensing agreement should be arranged for by the Aircraft Manufacturers' Association covering the use by any one manufacturer of the designs of another manufacturer at the request of the Government.

That the amount of such compensation between manufacturers should be 1 per cent of the price of the airplane, exclusive of engine, to be paid by the manufacturer ordered by the Government to produce an airplane designed and developed by some other manufacturer to the manufacturer who had so designed and developed it.

That in no case should there be paid to any one manufacturer a sum totaling more than $50,000 for the designs, specifications, heat treatments, and other factory methods upon any one type of airplane.

The object of each manufacturer in maintaining a laboratory is to develop designs satisfactory to the Government that will enable him to obtain the maximum capacity of his factory in Government business.

The object of the above plan is to encourage development to the greatest degree and to provide a simple working basis whereby the manufacturer successful in producing a type of airplane so satisfactory to the Government that his own facilities are insufficient to meet the Government's needs will receive compensation in a moderate amount per airplane upon such airplanes as are made under Government order by other manufacturers.

It was further suggested that this same basis be used where developed designs of engine are introduced into other factories than the ones that designed and developed them.

The meeting adjourned with the understanding that Mr. Crisp would prepare a form of agreement after further discussion. The minutes of the meeting were sent to all parties in attendance.

The subcommittee on patents met on July 10 to consider the terms of the draft of proposed cross-license agreement as prepared by Mr. Crisp, after consultation with Mr. Fish and the latter's business partner, Mr. Neavo, and Messrs. Houston, Tarbox, Flint, and Russell.

This meeting was attended by officers and members of the Aircraft Manufacturers' Association and representatives of the Wright and Curtiss companies. Mr. Crisp submitted a draft of the proposed cross-license agreement and explained that the plan as originally proposed by the patents committee had been modified in the following important particulars:

First. All reference to engines and engine accessories was omitted, for the reason that the principal engine patent—Hispano-Suiza—could not be included in the agreement because of restrictions in the special contract between the Wright-Martin Aircraft Corporation and the owners of the patent, and for the further reason that engine patents in common use in this country were not considered basic.

Second. That after $2,000,000 had been paid to the Wright-Martin company the subscribers to the agreement would continue to pay $200 per airplane, and that payments of the balance then due the Curtiss company would be made at the rate of $175 per airplane—this with a view to clearing up the situation as quickly as possible.

Third. That the agreement contemplates additional consideration to a party or parties who may develop hereafter an airplane or engine or any device of special importance capable of use in an airplane, which would also include, first, a new basic type of airplane; second, one which involves a great improvement on the principles existing in the industry; and, third, an airplane radical in its departure from existing types.

The provisions of the proposed agreement were generally discussed.

By resolution of the meeting the chairman appointed a committee of five on requirements for membership in the Aircraft Manufacturers' Association, with instructions to give careful attention to the legal phases of limitation of stock ownership in such a corporation.

The committee, as appointed by the chairman, consisted of Messrs. Crisp (chairman), Harris, Mingle, Russell, and Houston. After an executive session the committee on qualifications for membership submitted the following report, which was adopted:

"A stockholder of this corporation shall be a responsible manufacturer of airplanes, airplane engines or parts, and accessories used in airplanes; a responsible manufacturer who intends to become a bona fide producer of airplanes or airplane engines, parts, or accessories; or a manufacturer to whom the Government has given a contract for the construction of 10 or more complete airplanes or airplane engines; but no stockholder herein shall acquire or own more than one share of the stock of said corporation."

By resolution adopted by a divided vote it was recorded as the sense of the meeting that engines should be included in the terms of the cross-license agreement. This necessitated redrafting the cross-license agreement, and there being no objection, the chairman appointed a special committee for this purpose, consisting of Messrs. Crisp (chairman), Tarbox, Houston, Mingle, and Russell.

The subcommittee on patents held another meeting July 12, 1917, immediately preceding the regular monthly meeting of the executive committee. The chairman reported that at an informal session of the subcommittee on patents on the preceding evening, at which Messrs. Durand, Crisp Waldon, Towers, Tarbox, Houston, and Harris were present, the various features of the proposed cross-license agreement were discussed. Mr. Crisp laid before the committee a draft of the proposed cross-license agreement prepared in accordance with the recommendation of the conference on the preceding evening.

The chairman reported that an attempt to include the cross-licensing of engines under the terms of the cross-license agreement, as recommended by the conference held on July 10, developed many difficulties of a practical nature, especially in regard to the proper payments for the support of the proposed organization as between the engine manufacturers and plane manufacturers. He reported that it had also been suggested at the conference on July 11 that the advantages of cross-licensing of engines might better be realized through necessary modifications in the existing cross-license agreement covering the automobile industry. He reported further that as a result of these considerations members of the committee present at the conference on July 11 took action recommending the omission of engines from the terms of the cross-license agreement and instructed Mr. Crisp and his associates to prepare the final draft of the cross-license agreement in accordance with this recommendation.

After consideration of this recommendation of the conference on July 11 and after further consideration of all factors bearing upon the question the proposed draft of cross-license agreement as submitted by Mr. Crisp was, on motion duly seconded, unanimously approved and recommended to the executive committee for its approval.

At the meeting of the executive committee on July 12 the subcommittee on patents submitted the approved draft of cross-license agreement, which the chairman stated in its general terms and details had already received the informal approval of the aircraft manufacturers, and this he submitted as the report of the subcommittee on patents with a recommendation for its approval by the executive committee.

On motion, duly seconded and carried, it was

"Resolved, That the report of the patents committee on the proposed cross-license agreement be approved."

Under date of July 27 the chairman addressed letters to the Secretary of War and the Secretary of the Navy reporting the solution of the patent question and inclosing a copy of the cross-license agreement which had been accepted by the aircraft manufacturers and signed by them as members of a new "Manufacturers' Aircraft Association."

On the same date the chairman addressed a letter to the president of the Manufacturers' Aircraft Association recommending the acceptance of the cross-license agreement by the association and its members and that aircraft manufacturers generally be invited to subscribe to same in the interests of harmony and efficiency and to the end that the industry may be enabled to expand freely in order to meet the demands of the Government for the quantity production of aircraft.

The subcommittee on patents was discharged on August 7, 1917.

THE WORK OF THE SUBCOMMITTEES.

Following is an outline of the general work of the various subcommittees during the past year:

Aerial mail service: The subcommittee on aerial mail service was authorized by the executive committee at the meeting on December 7, 1916, for the purpose of cooperating with the Post Office Department in accordance with the request of the Second Assistant Postmaster General. The committee as originally organized consisted of Messrs. Squier (chairman), Marvin, and Stratton, and on March 30, 1917, Messrs. Clark and Towers were added.

The committee held a meeting on January 9, 1917, at which a representative of the Post Office Department was present. A plan of cooperation was formulated and means of overcoming difficulties confronting the Post Office Department were discussed. The committee advised the Post Office Department that in its opinion it would be impractical at that time to place a contract for aerial mail service, and that therefore the Post Office Department should take the initiative and establish such service within its own organization, and that the first experimental route should be selected with a view to inaugurating the service under as favorable conditions as possible. The committee suggested that the first experimental route should be between Washington and Philadelphia or Washington and New York.

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STATE OF NEW YORK,
SECRETARY OF STATE'S OFFICE,
Albany, April 12, 1918.

Hon. GEORGE E. CHAMBERLAIN,
Chairman Committee on Military Affairs,
United States Senate, Washington, D. C.

DEAR SIR: Replying to yours of the 10th instant, you are informed that the following is a list of the incorporators of the Manufacturers' Aircraft Association (Inc.), incorporated July 18, 1917: location, Manhattan; Joseph S. Ames, Baltimore, Md.; W. Benton Crisp, New York City, N. Y.; Albert H. Flint, New York City, N. Y.; George H. Houston, New York City, N. Y.; John P. Tarbox, Buffalo, N. Y.

Respectfully, yours,

FRANCIS M. HUGO,
Secretary of State.

—

DEPARTMENT OF JUSTICE,
Washington, D. C., April 11, 1918.

Hon. C. S. THOMAS,
United States Senate, Washington. D. C.

DEAR SENATOR: Referring to your letter of the 10th instant, there is inclosed herewith a copy of the opinion rendered by the Attorney General on October 6, 1917, to the Secretary of War relative to the legal status of the Manufacturers' Aircraft Association, and involving in particular the question whether the cross-licensing agreement entered into between that corporation and its subscribers is in any way in contravention of the antitrust laws.

Respectfully,

G. CARROLL TODD,
Assistant to the Attorney General
(For the Attorney General).

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OCTOBER 6, 1917.

The honorable the SECRETARY OF WAR.

SIR: I have the honor to acknowledge the receipt of your letter of September 17, 1917, in which you ask for my opinion concerning the legal status of the Manufacturers' Aircraft Association, incorporated under the laws of the State of New York, and in particular whether the cross-license agreement entered into between that corporation and its subscribers (stockholders) is in any way in contravention of the antitrust statutes of the United States.

You submitted with your letter a copy of the cross-license agreement and a digest of certain of the minutes of the National Advisory Committe for Aeronautics (hereafter referred to as Advisory Committee) relating to the subject. The other papers and information necessary for determination of the questions involved were not immediately available, but have since been furnished by that committee at various dates from September 19 to 28.

The Manufacturers' Aircraft Association (Inc.) (hereafter referred to as Association (Inc.)), was formed and the cross-license agreement entered into under the following circumstances, as gathered from the data submitted:

The principal patents in the airplane industry were controlled by the Wright-Martin Aircraft Corporation and the Curtiss Aeroplane & Motor Corporation. The former, controlling what it claimed to be a basic patent, was demanding high royalties from all other aircraft manufacturers. The latter, controlling numerous important patents, was likewise making demands for royalties upon the other aircraft manufacturers. The patents controlled by these companies were of such a character as to make it difficult for any aircraft manufacturer to construct any modern approved form of airplane without infringing one or more alleged patents of each of these companies. The result of these patent claims was not only to render the cost of airplanes to the Government excessive, but also to make it difficult for the Government to get its orders filled, because some of the airplane manufacturers, in view of impending patent litigation, were unwilling to make further expenditures upon their plants.

Confronted with this serious crisis, the War Department and the Navy Department requested the Advisory Committee to investigate the situation and to suggest a solution for the unsatisfactory conditions existing in the airplane industry. Acting in accordance with these requests, the Advisory Committee proceeded to make a careful study of the situation, and after several months of investigation and numerous conferences with all interests directly involved recommended the formation of an association of aircraft manufacturers with a form of cross-license agreement.

Pursuant to the recommendation of that committee, the Association (Inc.) was formed and the cross-license agreement now under consideration was entered into.

Practically all of the manufacturers of airplanes have since become stockholders in the Association (Inc.) and parties to the cross-license agreement. The royalties to be paid under the cross-license agreement in respect to the patents of both the Wright-Martin and Curtiss corporations are materially lower than those previously demanded by the Wright-Martin Corporation alone. The arrangement will result in a substantial saving to the Government.

You state in your letter:

"In accordance with the arrangement thus developed, the War Department now desires to proceed with the placing of contracts for airplanes with airplane manufacturers thus organized."

The Federal antitrust laws prohibit every combination and agreement that produces or tends to produce a monopoly in the interstate and foreign commerce of the United States or that is otherwise unduly restrictive of competitive conditions in such commerce. Their fundamental purpose is to prevent undue interference with the free play of competition without prohibiting normal and usual contracts and agreements entered into for the purpose of promoting the legitimate interests of the trader or of the industry in which he is engaged. The questions here involved must be determined in the light of this fundamental purpose of the antitrust laws.

In considering the questions submitted I have examined the cross-license agreement, the articles of incorporation, the by-laws, and the voting-trust agreement of the Association (Inc.), together with other data relating to that association furnished by the advisory committee. I have also examined and considered the criticisms of the arrangement in the "protest of the Aeronautical Society of America against the formation under Government auspices of an aircraft trust."

The cross-license agreement between the Association (Inc.) and such persons (hereinafter called subscribers) as shall become stockholders therein was entered into on July 24, 1917. (Cross-license agreement, p. 1.) The subscribers under that agreement agree:

To grant to each other licenses under all airplane patents of the United States (with unimportant exceptions) now or hereafter owned or controlled by them. (Cross-license agreement, Art. II, p. 2.)

To appoint the Association (Inc.) their agent with full power to grant the nonexclusive licenses provided for in the agreement in the form attached thereto. (Art. III. pp. 3, 15.)

Not to contract for rights under any airplane patents in such a way as to prevent the owner from granting similar rights to other subscribers on the same terms, unless the subscriber at the same time obtains the further privilege of itself granting rights under the patent, which of itself shall have the effect of bringing the rights acquired by the subscriber under the operation of the cross-license agreement. (Art. III, pp. 3–4.)

Not to enter into any agreement in respect to the subscriber's privileges under any airplane patent in such a way as to restrict the operation of the cross-license agreement in respect thereto. (Art. IV, p. 4.)

Not to grant licenses under airplane patents to others than subscribers upon lower terms of royalty than those provided for in the agreement in the case of subscribers. (Art. IV, p. 4.)

To submit claims for compensation in respect to airplane patents or patent rights hereafter acquired to a board of arbitrators, consisting of one member appointed by the board of directors of the Association (Inc.), another by the subscriber making the claim, and a third by the other two, who shall determine the total amount of compensation, if any, to be paid for the same, and the rate of royalty to be paid toward such compensation by any subscriber desiring to take a license under such patent. (Art. V, pp. 4–5.)

To waive all claims as against each other for infringements prior to July 1, 1917 (Art. XIV, p. 13), to make various reports, and to keep various accounts, etc.

To pay to the Association (Inc.) specified amounts upon every airplane manufactured and sold by the subscriber until the expiration of specified patents controlled by the Wright-Martin and Curtiss corporations, or until each of those corporations shall have received the aggregate sum of $2,000,000, and to make other payments of minor importance. (Art. VIII, pp. 8–9.)

The Association (Inc.) agrees:

To accept the appointment as agent of its subscribers for granting and enforcing the license provided for in the agreement, and for enforcing the other obligations of the subscribers under the agreement. (Art. II, p. 3.)

To make specified payments to the Wright-Martin and Curtiss corporations until the expiration of designated patents or until each of those corporations shall have received the aggregate sum of $2,000,000, and to pay to the other subscribers the royalties, if any, to which they are entitled under the cross-license agreement. (Art. IX, pp. 9–10.)

The cross-license agreement, as appears from its principal provisions summarized above, makes available to each subscriber of the Association (Inc.) the patents of all the other subscribers, and thus in this important respect instead of restraining trade facilitates competition among the subscribers of that association.

To thus make the patents of each available to all it was, of course, necessary to provide special compensation for those controlling the more important patents in the industry. This, as appears from the data submitted by the advisory committee, was the reason for the special payments to the Wright-Martin and Curtiss corporations.

The provision requiring these payments to be made to these corporations upon every airplane manufactured and sold by the subscribers at first sight seems objectionable as possibly designed to extend the patent rights of these corporations to objects not covered by their patents.

However, the circumstances which led to the negotiation of the cross-license agreement refute this. The numerous patents controlled by the Wright-Martin and Curtiss corporations made it difficult for a manufacturer to construct an up-to-date airplane without infringing one or more of the alleged patents of each of these corporations.

For this reason the advisory committee deemed it advisable to provide for a fixed payment to be made to these corporations in respect to every airplane manufactured and thus avoid the controversies which would almost inevitably arise if the payments were made dependent upon the delicate question of which and how many of the patents of the Wright-Martin and Curtiss corporations had been used in the manufacture of a particular airplane.

The provision requiring subscribers to submit claims for compensation in respect to patents subsequently acquired by them to a board of arbitrators, and to license each other under such patents at the rates of royalty fixed by that board might possibly be used to secure valuable inventions at unreasonable compensation. But it serves the purpose of keeping the patents of each of the subscribers open to all, and that doubtless was the purpose for which it was adopted. Its possible abuse, therefore, scarcely justifies its condemnation in the absence of such abuse.

Not to go into further detail, the provisions of the cross-license agreement seem to me to be reasonably adapted to secure cooperation among the parties to the agreement in the interchange of their patent privileges without imposing by their necessary effect any undue restriction of competition in violation of the Federal antitrust laws, but rather rendering competition freer by giving every responsible manufacturer of aircraft access to all the inventions in that field.

The by-laws of the Association (Inc.) authorize any responsible manufacturer or prospective manufacturer of airplanes, or any manufacturer to whom the United States has given a contract for the construction of 10 or more airplanes, or any owner of United States patents relating to the same, to become a party to the cross-license agreement upon subscribing for a share of the stock of that association and signing the voting-trust agreement provided for in the by-laws.

The certificate of incorporation of the Association (Inc.) limits the stock of that association to 100 shares of no nominal or par value, and authorizes it to issue and sell the same from time to time at their fair market value. The subscription value of this stock has since been fixed by the Association (Inc.) at $1,000 per share. The Association (Inc.) under its certificate of incorporation enjoys broad powers not material to the validity of the arrangement here under consideration.

The limitation of the number of shares of capital stock to 100, taken in connection with other provisions of the by-laws and cross-license agreement, has the effect of limiting the number of aircraft manufacturers who may become parties to the cross-license agreement to 100. In the expansion of the industry this limitation may prove objectionable, but the advisory committee informs me that that number is far beyond the probable number of such manufacturers in the near future.

The voting-trust agreement, in effect, gives the management of the Association (Inc.) for a period of five years to three voting trustees, to wit, a representative of the Wright-Martin and Curtiss Corporations, a representative of the smaller manufacturers, and a member of the advisory committee.

The most questionable provision in the entire arrangement is that requiring the aircraft manufacturers who become stockholders in the Association (Inc.) and parties to the cross-license agreement to sign the voting-trust agreement. This provision, however, in view of the circumstances noted below, does not, in my opinion, constitute a restraint of trade in violation of the Federal antitrust laws.

The primary functions of the Association (Inc.), so far as material to the arrangement here under consideration, are to act as an agent for the parties to the cross-license agreement in executing prescribed licenses, collecting and distributing royalties, and appointing through its board of directors one of the arbitrators to pass upon the value of patents acquired subsequent to the execution of the cross-license agreement.

Under the arrangement the interests of the Wright-Martin and Curtiss Corporations, as owners of the principal patents and entitled to the bulk of the royalties provided for in the agreement, are somewhat antagonistic to the interests of the smaller manufacturers who have to pay these royalties. If all the manufacturers had been given equal voice in the Association (Inc.), the smaller manufacturers together would have been enabled to control the Association (Inc.), to wit, the agent of the parties on whose responsibility and vigilance the Wright-Martin and Curtiss Corporations are so vitally interested. This conflict of interests accounts for the adoption of the voting-trust agreement under which the Wright-Martin and Curtiss Corporations named one trustee, the smaller manufacturers another trustee, and a party not favorable to either interest, namely, a member of the Advisory Committee, was elected for the third trustee.

Not to go into further detail, it suffices to say that upon the data submitted to me I am of the opinion that the Association (Inc.), as now constituted, and the cross-license agreement under which it is now operated, are not in contravention of the antitrust laws of the United States.

Respectfully,

T. W. GREGORY,
Attorney General.

[Manufacturers Aircraft Association (Inc.). License and cross-license agreement. Dated July 24, 1917.]

LICENSE.

License, granted this —— day of ——, 1917, by the (hereinafter called the licensor), to —— —— (hereinafter called the licensee).

Whereas the licensor and certain other stockholders of the Manufacturers' Aircraft Association, Inc. (hereinafter called "subscribers") heretofore, entered into a certain agreement dated July 24, 1917, entitled "Cross-license agreement" (a copy of which is hereto annexed), wherein and whereby the licensor agreed to grant certain licenses to the other "subscribers"; and

Whereas the said agreement also authorized and empowered the Manufacturers' Aircraft Association, Inc., as the agent and attorney in fact of the licensor, to make, execute and deliver such licenses in the name of the licensor; and it is desired to execute the powers therein granted;

Now, this license witnesseth:

That for and in consideration of the premises and other good and valuable considerations moving between the parties hereto, it is covenanted and agreed as follows:

1. The licensor does hereby give and grant unto the said licensee the unrestricted but nonexclusive license to make, use, and sell airplanes—under all airplane patents of the United States now or hereafter owned or controlled by it, or by any firm, corporation, or association owned or controlled by it, or under which it or any such firm, corporation, or association have or shall have the right to grant licenses—in and throughout the United States, its territories and dependencies for use therein or abroad, except that no rights, express or implied, are hereby granted under any foreign patents, nor shall the licenses herein provided for apply to or include the use of said patents in their application to other than airplanes, and except further that no licenses are hereby granted under the Dunne patents, No. 975,403, issued November 15, 1910, and No. 1,003,721, issued September 19, 1911, the rights under which are held by the Burgess Co.

The patents, the patents to issue on inventions, and the agreements with reference to which the licensor has a right to grant licenses at the present time, and which are intended to be included in this license are set forth in schedule "A" hereto annexed.

2. This license shall run to the full end of the term of the letters patent under which the license is or is to be granted, and shall be personal, indivisible, nonassignable, and irrevocable, except for the causes and in the manner set forth in the "Cross-license agreement" hereinbefore referred to.

3. This license is made subject to all the terms, conditions, covenants, and agreements contained in said "Cross-license agreement," which is made a part hereof with the same force and effect as if herein set forth at large.

In witness whereof, the parties hereto have caused this instrument to be executed as of the day and year first above written.

—— ——.

By MANUFACTURERS' AIRCRAFT ASSOCIATION (INC.),

Attest:

—— ——, *President.*

—— ——, *Secretary.*

As Agent and Attorney in Fact of the Licensor.

Attest:

—— ——,

—— ——, *President.*

—— ——, *Secretary.*

—— ——, *Licensee.*

Schedule A.

I. PATENTS AND INVENTIONS.

Patents No.	Issue date.	Title of invention.

II. PATENT APPLICATIONS.

Serial No.	Filing date.	Other data.

III. PATENT RIGHTS, LICENSES, ETC.

Nature of right.	Inventions.	Date of agreement.

CROSS-LICENSE AGREEMENT.

This agreement, made this 24th day of July, 1917, between the Manufacturers' Aircraft Association (Inc.), a New York corporation (hereinafter called the "company"), party of the first part, and each person, firm, or corporation (hereinafter called the "subscriber" or "subscribers") as shall become stockholders of the said company in the manner and under the conditions provided in the by-laws thereof (which for the purpose of this agreement are made a part hereof), and become parties to this agreement, parties of the second part:

Whereas the parties hereto are interested in the manufacture, sale, and use of airplanes, as hereinafter defined, and desire to promote and develop the industry in which they are engaged, and to encourage and advance the art applicable thereto; and

Whereas the said development and advancement in the past have not been capable of as complete accomplishment as is desirable, because of the existence of certain United States patents claimed to be basic in their nature, upon which suits have been brought, or threatened, for alleged infringement and for the collection of royalties and damages in connection therewith; and

Whereas it is desired to prevent and avoid such litigations or threatened litigations in the future and to give to all of the subscribers the right to manufacture, sell, and use airplanes embodying the inventions of each of the subscribers and to that end it is desired that licenses be granted as herein expressed: Now, this agreement witnesseth:

That for and in consideration of the premises, the covenants and conditions herein contained, and for other good and valuable considerations moving between the company and each of the subscribers hereto, and between the subscribers themselves, it is covenanted and agreed as follows:

I. DEFINITIONS.

The word "airplane," as used in this agreement, shall be understood to mean any form of heavier-than-air craft using wing surfaces for sustaining it, and to include propelling means, propellers, propeller hubs, radiators, and all parts and accessories used or useful in the airplane, except the engine and its accessories.

The words "airplane patent," as used in this agreement, shall be understood to mean any patent covering inventions for or capable of use in or in connection with airplanes, including propellers, propeller hubs, radiators, and all parts of airplanes and accessories used or useful in the airplane, except the engine and its accessories.

II. LICENSES AND POWERS GRANTED.

The "subscribers" grant, agree to grant, and cause to be granted to each other, licenses to make, use, and sell airplanes, under all airplane patents of the United States now or hereafter owned or controlled by them or any of them, or by any firm, corporation, or association owned or controlled by them, or under which they, or any of them, or any such firm, corporation, or association, have or shall have the right to grant licenses, in and throughout the United States, its territories and dependencies, for use therein or abroad, except that no rights, express or implied, are hereby granted under any foreign patents, nor shall said rights or the licenses herein provided for, apply to or include the use of said patents in their application to other than airplanes, and except, further, that no licenses are hereby granted under the Dunne patents No. 975403 issued November 15, 1910, and No. 1003721 issued September 19, 1911, rights under which are held by the Burgess Co.

All licenses provided for herein shall run to the full end of the term of the letters patent under which the license is or is to be granted, and shall be personal, indivisible, nonassignable, and irrevocable, except for the causes and in the manner hereinafter stated.

The "subscribers" hereby designate, constitute, and appoint the "company" (and the "company" hereby accepts the appointment) as their true, sufficient, and lawful agent and attorney in fact, for them and in their respective names, to make and execute licenses in writing in the form hereto annexed and to deliver the same to those of the "subscribers" who at the time are stockholders of the "company" not in default hereunder and who shall have executed an agreement in writing of like tenor to this, and to enforce said licenses and any and all other obligations (including the obligation to make payments) of the "subscribers" under this agreement; and the "subscribers" hereby give and grant unto said "company" as full, complete, and ample power and authority in the premises as the "subscribers" themselves now have and possess.

All licenses provided for herein, when made, executed, and delivered in accordance with the provisions hereof, shall have the same force and effect as if they had been executed and delivered by the "subscribers" themselves.

III. COVENANTS OF FURTHER ASSURANCE.

(a) Each "subscriber," now or hereafter, having rights under any United States airplane patent or invention of such character that it has legal right and power to procure the grant of rights thereunder to others, but is not itself empowered to grant such rights, covenants to procure the execution of such further instrument as may be necessary to empower the "company" to grant rights under such patent or with reference to such invention to the extent and in the manner herein provided.

(b) Each "subscriber" covenants that it will not contract for or obtain any rights under any such patent or invention in such manner that its owner would be prevented from granting to other "subscribers" hereto similar rights on the same terms, unless the "subscriber" obtains at the same time the further privilege to grant rights under said patent or said invention, whereby the same may and will be brought under the operation of the instrument.

IV. COVENANTS AGAINST OTHER LICENSES.

Each "subscriber" covenants that it has not heretofore entered and will not hereafter enter into any contract or arrangement whereby its privileges under United States airplane patents, issued or to be issued, inventions, and rights owned or controlled by it have been or shall be diminished or surrendered so as to exclude or restrict the operation of this instrument in respect thereto. Each "subscriber" further covenants that it will not grant licenses under any such patents for use in airplanes with reference to which it is receiving royalties hereunder to any other person, firm, or corporation on more favorable or lower terms of royalty than those herein provided or which may become more favorable or lower during the term of such license.

V. AFTER ACQUIRED PATENTS.

When a "subscriber" shall hereafter acquire a United States airplane patent, or any right thereunder, he shall be entitled to compensation for the use thereof if the patent or patent right covers an invention which secures the performance of a function not before known to the art or constitutes an adaptation for the first time to commercial use of an invention known to the industry to be desirable of use but not used because of lack of adaptation, or is otherwise of striking character or constitutes a radical departure from previous practice, or if either the price paid therefor or the amount expended in developing the same is such as to justify such compensation, provided that at the time said patent or patent right is reported to the "company," as required in subdivision (b) of Paragraph VII, the "subscriber" claims such compensation and states the grounds on which such claim is based. Such report and claim shall be submitted to a board of arbitration to be selected in the manner provided for in Paragraph XIII hereof, which board shall determine whether such compensation shall be paid, and if so, the total amount thereof and the rate of royalty or other payments which shall be paid (toward such compensation) by any "subscriber" desiring and taking a license under said patent, and shall also fix the time or times when said royalties or other amounts shall be paid.

VI. SPECIAL MODELS.

If any "subscriber" shall have developed the design and manufacture of any special model of airplane or airplane engine or other device used in an airplane (except the airplanes manufactured by the Burgess Co. under the Dunne patents hereinbefore mentioned and the Hispano-Suiza aeronautical engine manufactured by the Wright-Martin Aircraft Corporation or its subsidiaries), which the United States Government may at any time desire to have manufactured in the factory of any other "subscriber" or in the factory of any manufacturer not a "subscriber" hereto, the said "subscriber" agrees that it will furnish to the other "subscriber" or said other manufacturer such complete specifications, drawings, and other production data as may be required for use in the manufacture of such special model, provided that and upon condition that the "subscriber" or other manufacturer in whose factory the work is placed by the United States Government shall agree with said Government and with the "subscriber" owning said specifications, etc., to pay and shall pay into the treasury of the "company" 1 per cent upon the contract price paid by the Government for each airplane or airplane engine or other device manufactured for it in accordance with said specifications, etc.

If the manufacture of such special model is conducted by one not a "subscriber," such manufacturer shall also agree to pay into the treasury of the "company" such royalty as a "subscriber" would have been obliged to pay had it made and sold the airplane, engine, or other device, including the amount specified in subdivisions (a) and (b) of Paragraph VIII hereof, if an airplane, with or without engine, is the thing manufactured for and sold to the Government.

VII. REPORTS TO THE "COMPANY."

The following reports in writing shall be rendered to the "company" by each "subscriber" at the time or times hereinafter set forth:

(a) At the time of the execution of this agreement each "subscriber" shall report all United States airplane patents and inventions, together with serial numbers and filing dates of all pending applications for such patents, and all rights under such patents and inventions then owned or controlled by it, but no omission from such report shall exclude the patent, application, or right so omitted from the operation of this agreement.

(b) Within 30 days after the acquisition by any "subscriber" of any United States patent (other than patents to be issued upon inventions now owned by it) or right within the scope of this agreement each such "subscriber" shall report such acquisition, together with all the facts known to it as to such patent or right and its manner of acquisition. If such "subscriber" claims that additional compensation should be paid to it for licenses under such patent or right, it shall so claim in its report.

(c) On the 10th day of January, April, July, and October in each year each "subscriber" shall report the number of airplanes (with or without engine) sold and delivered by it, together with the names of the purchasers and the dates of delivery, or put into use for other than experimental or development purposes, or shipped out of the United States, during the three preceding calendar months.

(d) On the 10th day of January, April, July, and October in each year each "subscriber" shall report the number of airplanes, airplane engines, or other devices for use in airplanes which it has sold and delivered during the preceding three calendar months made from specifications, drawings, and other production data obtained from any other "subscriber," as provided in Paragraph VI hereof, together with the sales price and the dates of delivery; and there shall be included in the same report a copy of any agreement which the "subscriber" shall have made with another manufacturer as provided in said paragraph.

(e) Each license to other than "subscribers," as provided in Paragraph IV hereof, shall be reported within 30 days after its delivery.

The first of each of the reports specified in subdivisions (c) and (d) hereof shall be made by each "subscriber" on the 10th day of January, April, July, or October first occurring after it has become a "subscriber" hereto, and shall cover the period from July 1, 1917, to the first day of the month in which the report is due.

Each of the "subscribers" hereto shall keep separate books of account showing all business done under or subject to the operation of this agreement. The "company" may at any time have a New York certified public accountant, to be designated by it, audit such books of account of the "subscribers," together with such other accounts as the accountant may deem necessary, in order to verify or correct the reports herein provided for, and the "company" shall have such audit made when any "subscriber" so demands. Such audit, however, shall be limited to ascertaining whether the reports herein provided for are properly made and to correcting the same, if necessity for correction shall appear. No information obtained from any such audit shall be reported by the accountant or given to any of the parties hereto except as it directly applies to the reports required by this agreement.

VIII. PAYMENTS TO THE "COMPANY."

Each "subscriber" agrees to pay into the treasury of the "company" on the 10th days of January, April, July, and October in each year the following sums of money, to wit:

(a) On each airplane, with or without engine, required to be reported as provided in subdivision (c) of Paragraph VII hereof, the sum of $200 until such time as the Wright-Martin Aircraft Corporation and the Curtiss Aeroplane & Motor Corporation shall have been paid the aggregate sums provided for in subdivisions (a) and (b) of Paragraph IX hereof.

(b) On each airplane, with or without engine, required to be reported as provided for in subdivision (c) of Paragraph VII hereof, such sum, not to exceed $25, as the board of directors of the "company" may from time to time fix and determine as payable after the above-mentioned aggregate sums shall have been paid to the Wright-Martin Aircraft Corporation and the Curtiss Aeroplane & Motor Corporation.

(c) Such amount or amounts as the board of arbitration may specify as special compensation for after-acquired patents as provided in Paragraph V hereof, and required to be reported in subdivision (c) of Paragraph VII.

(d) Such amount or amounts as may be payable with reference to the use of specifications, drawings, and data as provided in Paragraph VI hereof, including the royalty payments therein provided for, but all 1 per cent payments on account of the use of such specifications, drawings, and data covering any one model shall cease when the total paid by all users shall aggregate $50,000.

(e) All royalties received under licenses referred to in subdivision (e) of Paragraph VII.

Each "subscriber" who shall become a party hereto after the 1st day of July, 1917, shall on the 10th days of January, April, July, or October next occurring pay to the "company" those amounts which it would have been obliged to pay in accordance with the foregoing if it had been a "subscriber" on July 1, 1917.

Moneys paid into the treasury of the "company" pursuant to any provisions hereof shall not be or constitute or be deemed to be or constitute the assets, property, or profits of said "company," but shall be received and disbursed by it as the agent and attorney in fact of the "subscribers" in the manner and for the purposes herein mentioned.

IX. PAYMENTS BY THE "COMPANY."

Out of the moneys paid into the treasury of the "company" pursuant to the provisions hereof the following payments shall be made by the company on the 20th days of January, April, July, and October in each year, to wit:

(a) To the Wright-Martin Aircraft Corporation $135 on each airplane, with or without engine, with reference to which payments shall have been made in accordance with subdivisions (a) and (e) of Paragraph VIII hereof, during the preceding three calendar months, until United States patent No. 821393, issued May 22, 1906, shall have expired, or until the aggregate sum of $2,000,000 shall have been paid to the said Wright-Martin Airplane Corporation, when all payments to it hereunder shall cease, except as hereinafter provided.

(b) To the Curtiss Aeroplane & Motor Corporation $40 on each airplane, with or without engine, with reference to which payments shall have been made in accordance with subdivisions (a) and (e) of Paragraph VIII hereof, during the preceding three calendar months, until such time as the Wright-Martin Aircraft Corporation shall have been paid in full as provided for in subdivision (a) of this paragraph, after which there shall be paid to the Curtiss Aeroplane & Motor Corporation at the times herein mentioned the sum of $175 on each of said airplanes until the aggregate sum of $2,000,000 shall have been paid to it or until United States patent No. 1203550, issued October 31, 1916, shall have expired, when all payments to it hereunder shall cease, except as hereinafter provided.

(c) To each of the "subscribers" entitled thereto such amounts as may have been paid to the "company" with relation to the use of after acquired patents in accordance with subdivisions (c) and (e) of Paragraph VIII hereof.

(d) To each of the "subscribers" entitled thereto such amounts as may have been paid to the "company" on account of the use of specifications, drawings, and data, as provided in Paragraph VI and in subdivision (d) of Paragraph VIII hereof, but any royalty payment received from outside manufacturers shall be distributed as though received from "subscribers."

(e) To any "subscriber" who shall have granted licenses to others than "subscribers," as provided in Paragraph IV, the royalties received under such licenses which are not required for payments provided for in subdivisions (a), (b), and (c) of this paragraph.

Out of the balance of said moneys paid into the treasury of the "company" under this agreement, the "company" may retain and use sufficient to cover its operating expenses and to create such fund as, in the judgment of the board of directors of said "company," shall be necessary and proper for the further development of the airplane art and industry and the purchase of patents and rights for the benefit of the "subscribers" hereto.

If, after making the payments and reservation herein provided for, any surplus or balance remains out of the funds so paid into the treasury of the "company," the same shall be distributed by the "company" from time to time among those "subscribers" who have contributed to said moneys in proportion to their respective contributions under subdivisions (a) and (b) of Paragraph VIII other than those required for payments under subdivisions (a) and (b) of this Paragraph IX.

X. BREACH OF AGREEMENT.

In the event that any "subscriber" is claimed by the "company," or any other "subscriber" to be in default in the performance of any of its obligations hereunder, and such claimed default continues after 30 days' notice in writing, by the "company" or any "subscriber" hereto, to the "subscriber" claimed to be in default, then the board of arbitration, hereinafter provided for, shall determine whether there has been such specified default, and if such default is found to exist shall fix the time within which it must be repaired, and shall assess such damages and impose upon the "subscriber" in default such other requirements (including the forfeiture of its stock and license) as may seem to the said board of arbitration to be proper under the circumstances. Each "subscriber" covenants and agrees that it will pay such damages and comply with such requirements as may be specified by the said board of arbitration.

Nothing contained in this paragraph shall deprive the "company" of the power to make, execute, and deliver licenses under the patents or patent rights owned and controlled by any defaulting "subscriber" or to which the "subscriber" may be entitled at the time he ceases to be a stockholder or "subscriber," nor deprive other than defaulting "subscribers" of any right which they may have received to the use of the said patents or patent rights.

XI. WITHDRAWAL FROM AGREEMENT.

Any "subscriber" may withdraw from this agreement at any time after 10 years from the date hereof on giving to the "company" written notice of its election so to do and on fulfilling all of its obligations up to the date of such withdrawal. But no withdrawal shall relieve the other parties and other "subscribers" from their obligations to each other hereunder, nor deprive them of their rights acquired under the patents and patent rights owned or controlled by the withdrawing "subscriber" at the time of withdrawal, all of said patents and patent rights remaining under this agreement, but such withdrawing "subscriber" shall cease to have any rights under the patents of the other "subscribers" hereto, or any other right under this agreement, from and after such withdrawal.

XII. REPURCHASE OF STOCK.

In the event of the death of any person who is a stockholder in the "company," or in the event of the dissolution of any corporation or firm which is a stockholder therein, or in the event of the bankruptcy or insolvency of any such stockholders, or in the event of withdrawal under Paragraph XI hereof, the "company" shall have the right to purchase for the benefit of the other "subscribers" the stock held by such person, firm, or corporation at a sum not to exceed the distributive share or shares of such stockholder in the funds held by the "company," and the license or licenses issued to such stockholder shall be surrendered to the "company" and canceled.

XIII. ARBITRATION OF CLAIMS AND DISPUTES.

In case of any dispute or controversy between the "subscribers" hereto, or between the "subscribers" and the "company," or in case of a claim by a "subscriber" for special compensation for licenses under patents or rights hereafter acquired by it, or in case of breach of this agreement, the said dispute, controversy, claim, or breach shall, within 30 days after a "subscriber" or "subscribers" shall have given notice to the "company" or the "company" shall have given notice to the "subscribers" thereof, be referred to a board of disinterested arbitrators consisting of three persons for determination.

In the case of a claim for special compensation, one member of such board of arbitration shall be appointed by the board of directors of the "company," another by the "subscriber" making the claim, and the third by the other two arbitrators.

In the case of any dispute between the "company" and a "subscriber" or "subscribers," one member of the board of arbitration shall be appointed by the board of directors of the "company," another by the "subscriber" (or if more than one "subscriber" is involved in the same dispute, then by a majority of those so involved), and the third by the other two arbitrators.

In case of a breach of this agreement asserted by the "company" or a "subscriber" against another "subscriber," one member of the board of arbitration shall be appointed by the board of directors of the "company," another by the "subscriber" against whom the assertion of breach is made, and the third by the other two arbitrators.

If either the board of directors or the "subscribers" fail to appoint a member of the board of arbitration within the time specified, the other party or parties may appoint such member or fill such vacancy.

The decision of a majority of the members of said board upon all matters submitted to them for adjudication shall be final and binding upon all the parties hereto.

XIV. RELEASES TO "SUBSCRIBERS."

The "subscribers" hereby waive and release any and all claims which they or any of them may have had against each other for damages and profits on account of any infringement, or alleged infringement, prior to July 1, 1917, of any patent included within this instrument in the manufacture, sale, or use of airplanes.

XV. BINDING UPON PARTIES, CONTROLLED COMPANIES, LEGAL REPRESENTATIVES, ETC.

This agreement is binding upon the parties hereto and their several successors, legal representatives, and assigns, but shall insure to the benefit of only their several successors in business. Each "subscriber" agrees that all persons, firms, and corporations now or hereafter controlled by it, and engaged in the manufacture of airplanes, or owning or controlling United States airplane patents, shall be caused to execute this agreement.

XVI. EXECUTION OF AGREEMENT.

This agreement may be executed by the "subscribers" in any number of counterparts, but when so executed shall constitute but one and the same agreement, and shall be as binding and of the same force and effect as if all the "subscribers" had executed but one and the same instrument and as if all executions had been at the same time.

In witness whereof, the parties hereto have executed this instrument as of the day and year first above written.

MANUFACTURERS' AIRCRAFT ASSOCIATION (INC.),

Attest:

By _____ _____, *President.*
_____ _____, *Secretary.*
_____ _____

Attest:

_____ _____
_____ _____

Mr. HITCHCOCK. Mr. President, I did not hear all the Senator said. I did not understand fully what the Senator said concerning the part played in the enactment of this agreement by attorneys representing the two beneficiaries, the Curtiss Co. and the Wright-Martin Co.

Mr. THOMAS. If my information is correct, the attorney for the Wright-Martin Co. and the attorney for the Curtiss Co. were members of the subcommittee which after conferences with the advisory board, one of whom drew the contract to which my remarks were directed.

Mr. HITCHCOCK. Members of the subcommittee of the advisory board?

Mr. THOMAS. No; members of the subcommittee on which, I think, there was some representative of the advisory board.

Mr. HITCHCOCK. Can the Senator put into the RECORD the names of the individuals who were really responsible for the agreement?

Mr. THOMAS. I think the records which I have introduced do so.

Mr. HITCHCOCK. I was correct in assuming that the two great beneficiaries of the agreement are the Curtiss Co., which received $2,000,000, and the Wright-Martin Co., which received $2,000,000, but I did not have clearly in my own mind the degree to which their representatives participated in advising the Government to make the agreement.

Mr. THOMAS. These companies are the principal beneficiaries of the agreement, although the monetary compensation has since been cut in half, so that each is to receive $1,000,000. But the tremendous value to them of this agreement is that their patents are made fundamental, and, of course, long before either of them expires this Manufacturers' Aircraft Association, which in my judgment is but another name for these two companies, will have acquired through the operation of their cross-licenses practically all the other inventions relating to aircraft.

Mr. HITCHCOCK. I can see how the two attorneys for these corporations participated in that agreement, but can the Senator state, so as to make it clear, who else participated and who represented the Government and the public interest which bound the United States in such an agreement?

Mr. THOMAS. Mr. President, if the record to which I referred does not contain the names of all these gentlemen, I will procure that information at once. Before passing the document over to the reporter I will reexamine it and ascertain whether it contains a list of the committee preparing the contract.

ORDER OF BUSINESS.

Mr. POMERENE. I ask unanimous consent to proceed to the consideration of the bill (H. R. 9248) to prevent extortion, to impose taxes upon certain incomes in the District of Columbia, and for other purposes.

Mr. SHIELDS. Mr. President, I shall be obliged to object, as the Senate has agreed to consider another bill by unanimous consent.

Mr. POMERENE. What bill is that?

Mr. SHIELDS. The passport bill, regulating entry into and departure from the United States.

Mr. POMERENE. I had stepped out for a moment and was not aware of that fact. I was in hopes that I would be in the lead of the Senator from Tennessee. I withdraw the request under the circumstances.

LEGISLATIVE, ETC., APPROPRIATIONS—CONFERENCE REPORT.

Mr. MARTIN. I submit the conference report on the legislative, executive, and judicial appropriation bill, and ask that it be read and considered at this time.

The Secretary read the report, as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 10358) making appropriations for the legislative, executive, and judicial expenses of the Government for the fiscal year ending June 30, 1919, and for other purposes, having met, after full and free conference have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 8, 19, 20, 23, 45, 47, 48, 56, 57, 59, 74, 75, 78, and 88.

That the House recede from its disagreement to the amendments of the Senate numbered 2, 3, 4, 5, 6, 7, 10, 11, 12, 13, 14, 15, 16, 17, 18, 21, 22, 24, 26, 27, 28, 29, 30, 31, 32, 33, 34, 35, 36, 37, 40, 42, 43, 44, 49, 50, 51, 52, 53, 54, 55, 61, 62, 63, 64, 66, 67, 68, 69, 71, 72, 73, 76, 77, 79, 80, 81, 82, 85, 86, 87, and 89, and agree to the same.

That the House recede from its disagreement to the amendment of the Senate numbered 1, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert the following: "assistant clerk, $1,400; assistant clerk during the period of the war, $1,440"; and the Senate agree to the same.

That the House recede from its disagreement to the amendment of the Senate numbered 25, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert the following: "exchange, care, and maintenance of motor-propelled delivery vehicle"; and the Senate agree to the same.

That the House recede from its disagreement to the amendment of the Senate numbered 39, and agree to the same with an amendment as follows: In line 5 of the matter inserted by said amendment strike out "$11,075" and insert in lieu thereof "$10,850"; and in the same line strike out "$2,075" and insert in lieu thereof "$1,850"; and the Senate agree to the same.

That the House recede from its disagreement to the amendment of the Senate numbered 41, and agree to the same with an amendment as follows: In lieu of the sum proposed in said amendment insert the following: "$3,500"; and the Senate agree to the same.

That the House recede from its disagreement to the amendment of the Senate numbered 46, and agree to the same with an amendment as follows: In lieu of the sum proposed in said amendment insert the following: "$3,500"; and the Senate agree to the same.

That the House recede from its disagreement to the amendment of the Senate numbered 58, and agree to the same with an amendment as follows: On page 110 of the bill, in line 3, strike out "$3,000" and insert in lieu thereof "$3,750"; and the Senate agree to the same.

That the House recede from its disagreement to the amendment of the Senate numbered 60, and agree to the same with an amendment as follows: In lieu of the sum proposed in said amendment insert the following: "$3,500"; and the Senate agree to the same.

That the House recede from its disagreement to the amendment of the Senate numbered 65, and agree to the same with an amendment as follows: On page 120 of the bill, in line 16, strike out "$1,575,790" and insert in lieu thereof "$1,682,990"; and the Senate agree to the same.

That the House recede from its disagreement to the amendment of the Senate numbered 70, and agree to the same with an amendment as follows: In lieu of the sum proposed in said amendment insert the following: "$3,500"; and the Senate agree to the same.

That the House recede from its disagreement to the amendment of the Senate numbered 83, and agree to the same with an amendment as follows: In lieu of the sum named in said amendment insert the following: "$20,000"; and the Senate agree to the same.

That the House recede from its disagreement to the amendment of the Senate numbered 84, and agree to the same with an amendment as follows: In lieu of the sum proposed in said amendment insert the following: "$3,500"; and the Senate agree to the same.

That the House recede from its disagreement to the amendment of the Senate numbered 9, and agree to the same with an amendment as follows: In lieu of the sum proposed insert: "$144,720"; and the Senate agree to the same.

The committee of conference have been unable to agree on the amendments of the Senate numbered 38 and 90.

THOMAS S. MARTIN,
O. W. UNDERWOOD,
F. E. WARREN,
REED SMOOT,
Managers on the part of the Senate.

JOSEPH W. BYRNS,
JOHN M. EVANS,
WILLIAM H. STAFFORD,
Managers on the part of the House.

The PRESIDING OFFICER. The question is on agreeing to the conference report.

The report was agreed to.

Mr. MARTIN. As this is only a partial agreement and there still remain two amendments upon which the conferees have been unable to agree, I move that the Senate further insist upon its amendments still in disagreement.

Mr. GALLINGER. Mr. President, will the Senator from Virginia kindly state, in a few words, what the amendments are?

Mr. MARTIN. They are the amendments abolishing the Subtreasuries and with reference to the increase of salaries of clerks, including the Borland amendment.

Mr. GALLINGER. Very well.

Mr. MARTIN. We thought we did not have a right to recede on those matters, and the House conferees would not come to the position of the Senate, so the amendments remain in disagree-

ment. I move that the Senate further insist upon the amendments still in dispute.

The PRESIDING OFFICER. Does the Senator from Virginia include in his motion a request for a further conference?

Mr. MARTIN. It is possible that the House might have a vote on the matter and agree with us on those amendments; so I thought I would forego making that motion until the matter came back from the House.

The PRESIDING OFFICER. The question is on the motion of the Senator from Virginia, that the Senate further insist on its amendments in dispute.

The motion was agreed to.

ENTRY INTO AND DEPARTURE FROM THE UNITED STATES.

The Senate, as in committee of the whole, resumed the consideration of the bill (H. R. 10264) to prevent in time of war departure from or entry into the United States contrary to the public safety.

Mr. KING. Mr. President, I offer the amendment which I send to the desk to the pending bill.

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

The SECRETARY. It is proposed to amend section 2 of the bill by inserting after the word "President," in line 13, the words "and subject to such limitations and exceptions as the President may authorize and prescribe," so that section 2, if amended, will read as follows:

SEC. 2. That after such proclamation as is provided for by the preceding section has been made and published and while said proclamation is in force it shall, except as otherwise provided by the President, and subject to such limitations and exceptions as the President may authorize and prescribe, be unlawful for any citizen of the United States to depart from or enter or to attempt to depart from or enter the United States unless he bears a valid passport.

Mr. SHIELDS. I have no objection to that amendment. On the contrary, I think it a proper one, and I really favored it in the committee when the bill was being considered.

Mr. TOWNSEND. Mr. President, I think I realize the necessity for some such legislation as is proposed by the Senator from Tennessee [Mr. SHIELDS]. I can see also the great harm which may come to the people of both the United States and Canada unless the rules and regulations provided for in this amendment are so framed as to obviate the apparent difficulties which will be met. If I had been satisfied and the country had been satisfied with many of the regulations which have heretofore been made by the administration, which has been vested with discretionary power, I should look with less apprehension upon granting this power to the Executive. Yet, I repeat, that I see the necessity of the legislation. I have given it some thought, and I know of no way to clearly obviate the possible danger unless it be by making an exception in terms as to those countries which are allies of the United States in this struggle, and I can appreciate the difficulties attaching to such action.

I am informed by the State Department that such an exception carried in the statute would be a source of embarrassment and might involve our international relations with other countries which would be perhaps as serious as the difficulty which we are seeking to overcome. Regretting as I do that it is necessary to enact any such legislation, which may be abused and which we may have cause to regret if it shall be abused, nevertheless I feel that I can not consistently oppose the measure.

Mr. KING. Mr. President, will the Senator from Michigan yield to me?

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

Mr. TOWNSEND. Yes.

Mr. KING. I can assure the Senator that the State Department and the Labor Department have been cooperating with Canada, with Great Britain, and with our other allies, and mutually reciprocal arrangements have been entered into which possess more or less the form of regulations that are entirely satisfactory. I have had a number of conferences with representatives of the Labor Department having to do with the immigration and with the passport divisions of the State Department, and they stated that there are no difficulties whatever, particularly with Canada, and that there is no plan, if this bill shall be enacted into law, to disturb the relations that now exist between the United States and Canada; that there will be the same free intercourse between the people of the respective countries after this bill has been enacted into law as exists to-day under mutual arrangements which perhaps do not have the force of law.

Mr. TOWNSEND. I am going to assume that that is true; yet I have the thought that, while the department dislikes to have Congress in terms except from the provisions of the law our relations with Canada, still that same condition will be encountered when the administration comes to frame the regulations, for if we are to have one regulation in relation to Canada and a different regulation in reference to Mexico, the same discrimination will be shown that would be practiced if we in terms except Canada from the operation of the law.

However, I myself do not know how to obviate the difficulty, and I do realize the necessity for the passage of some such legislation. I am therefore going to trust, as I have been obliged heretofore to trust, discretionary power in the Executive to deal with a situation which may become most serious if it is not properly handled. I hope that the man who prepares the regulations will be familiar with the great fact that the boundary between Canada and the United States is an imaginary line across which passes daily and hourly thousands of people in pursuance of the friendly necessary traffic of two great English-speaking nations, the unnecessary interruption of which would be most unfortunate.

Mr. JONES of Washington. Mr. President, my position is very much the same as that of the Senator from Michigan [Mr. TOWNSEND]. I think this proposed law ought to be confined to the present emergency and to the present war. If that were so, I could myself see no impropriety in distinctly excepting Canada in this proposed act. Our relations with Canada are different from what they are with Mexico. Mexico is a neutral, while we are fighting in association with Canada. If we accord to Canada treatment which we do not accord to Mexico, I do not see how Mexico can complain so long as we treat her the same as we treat every other neutral nation. Canada is not a neutral; she is, in a sense, our ally; she is fighting with us; her soldiers are on the same battle line as are ours. I therefore should like to see Canada excepted within the terms of this proposed act.

As the Senator from Michigan said, I can not see where there would be more embarrassment in our excepting Canada in the law than there will be if the State Department excepts it in their regulations, because they will have to do it or else they will disturb the relations between this country and Canada. They will have to make an exception in some way; they can not keep that exception under a bushel; it will have to be known. It will have to be known to the people of Canada and to the people of this country, and, of course, it will be known to the people of Mexico.

As I say, I should like to see the act amended so as to confine it to the present emergency. Then, I should like to see it amended so as to exempt Canada from its operations; though perhaps that is not possible in view of the attitude of the department.

I should like to know what the proposed regulations are. I understand that the regulations have already been prepared; I understand that the proclamation is ready. Well, those who prepared the proclamation and the regulations, I assume have prepared this bill. They do not want to see the bill amended, and they have their regulations prepared. So they insist upon the passage of the bill as they have prepared it. We have very little to say with reference to the framing of legislation here. I do not know whether they will confer with any of the Senators or Representatives from the States along the border who know the conditions before they promulgate the rules and regulations, if we authorize them to do it as provided in the bill as it is now framed. I think it would be wise if they would do so. The trouble is that the regulations to carry out the measures that we pass are usually framed by some individual in the department whose vision does not go beyond his own neighborhood or outside of the particular line of thought he has been following, and he does not see the broader aspects of the situation. The result is that the regulations, while prepared with the best of intentions, have the most disastrous results.

Mr. KING. Mr. President——

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

Mr. KING. I wish to ask the Senator whether or not there is any difficulty now in the commercial and other intercourse between citizens on our side of the line and those on the Canadian side of the line?

Mr. JONES of Washington. No; we have no restrictions.

Mr. KING. I wish to say to the Senator that there are regulations and restrictions now, which were promulgated by the State Department and the Department of Labor nearly a year ago without authority of law; that is to say, the exigency demanded some regulations, more particularly with respect to our southern border, and certain regulations were agreed upon in cooperation with the Canadian officials, which regulations are now in force. The purpose of the pending measure is merely

to legalize, if I may be permitted that expression, the regulations which have been promulgated for many months.

Mr. JONES of Washington. They have issued different regulations in reference to Canada from those they have issued with reference to Mexico.

Mr. KING. No; they are substantially the same regulations, although in regard to Canada a different interpretation is placed on the regulations and a different application is made of them.

Mr. JONES of Washington. They have prepared ambiguous regulations, and then have construed them one way as to one section and another way as to another section.

Mr. KING. I have the regulations here, and I do not think they are ambiguous. I know they have met with the approval of the Canadians, and similar regulations adopted by our friends across the border to the north have been approved by those representing our Government. There has been no difficulty whatever; they have worked smoothly, to use the expression of one of the persons having in charge the execution of these matters, and there is no purpose whatever to disturb the present methods by which intercourse between the two nations is effectuated.

Mr. JONES of Washington. We have not had very much trouble between this country and Canada; I have had some complaints, but I do not think they amounted to very much; and so I say our intercourse with Canada has been satisfactory. Of course, if nothing would be done under this measure that would interfere with existing relations, I should see no particular objection to it; but if it is not the intention to have any restrictive measures apply as between this country and Canada I can not see how there could be any objection to so providing in the law, except as this bill is now framed it applies not only to the present emergency but to all the future.

Mr. SHIELDS. Mr. President——

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

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

Mr. SHIELDS. Mr. President, the provisions of this bill are so broad in principle and so flexible that they can be adapted by the President and those whom he will authorize to enforce them to any particular conditions. I have no doubt that different conditions will exist along the eastern part of the northern boundary line from those obtaining along the western part of the boundary line, for there are very great differences in the commerce, in the manner in which the country is settled, and in the transportation systems. There is a great deal of difference also in the southern boundary line at various places. This bill not only applies to these two boundary lines, as the Senator will remember, but to all vessels coming into the ports of the United States, as to which there will be some different regulations and conditions. From conversations with officers of the department in regard to the matter, I do not think the Senator need have any fear as to the very liberal character of the rules to be promulgated in order that they may not interfere unreasonably with intercourse between the two countries.

One reason why the rules can not be written into the law is that there is a constant change in conditions. As we know, already during this war conditions have changed; we can not anticipate what changes may yet occur, and it would be very difficult to prescribe rules to apply to the entire boundary on the north or the entire boundary on the south, or to all vessels coming into our ports. Therefore it was thought best to put the broad power in the hands of the President, to be exercised with all the restrictions and all the limitations as the circumstances, in his discretion, might require.

Mr. JONES of Washington. Yes, Mr. President, I know this measure is broad; it is just as broad as it can be; it amounts to the same thing as if we were to say to the President, "Do what you think best and proper whenever we are at war." My idea would be not to establish any regulation with reference to any part of the Canadian boundary or as to vessels and intercourse between this country and Canada, but simply to leave that entirely free.

Furthermore, we are asked to pass the bill upon assurances from those in the department that, of course, everything will work all right and everything will work smoothly. They do not anticipate that anything will go wrong; they are satisfied that they know how to take care of the situation. The only trouble that I have had heretofore with reference to matters of that kind is that, while they have acted with the very best of intentions and the very best of purposes, and from the highest of motives, they have made regulations that have not worked right, not because of the lack of good intentions, but because of the lack of knowledge of the conditions sought to be covered by their regulations. That is what I am afraid of in this case.

But, Mr. President, I shall not interfere with the passage of the measure. I will trust in their endeavor to acquaint themselves with the different conditions which will have to be met by these regulations; and I hope that they will adopt such regulations as will not injuriously affect intercourse along the northern border. It is a very serious matter not only for this country but for Canada, and I trust that they appreciate the importance of it and that they will be very careful to acquaint themselves with what they are going to effect by these rules and regulations; and if they have any doubt as to the conditions and as to the character of the business and the kind of rules that they should promulgate, I hope that they will feel justified in conferring with some of those who know as to the conditions. It ought not to be humiliating upon the part of some of the officers of the Government to confer with Senators and Representatives once in a while with reference to conditions in their States about which they are supposed to know something. So I hope that if these administrative officers have any doubt about the efficacy of the regulations which they are about to promulgate they will feel free to confer with those who are interested in the matter and who do know something about it. So, much as I would like to have the bill amended along the line I have indicated, and slight as I think the chances are that harm would come from amending the act in such a way, I shall not insist upon changing it.

Mr. GALLINGER. Mr. President, possibly I might refrain from saying an additional word to what I said yesterday when this bill was under consideration. I have prepared an amendment providing that the act shall be in force during the continuance of the war and for six months after the consummation of peace, and also excepting in terms the Dominion of Canada from its provisions; but I shall not offer the amendment under the conditions existing.

I quite agree with the Senator from Washington [Mr. JONES] that it would be well in the matter of our relations with Canada if Members of both Houses of Congress who have a direct concern in the matter might be consulted. This measure is of very great moment to the people of New England, provided any essential change is to be made in the relations of that section of the country with the Dominion of Canada. I am gratified to be told that the regulations which the Senator from Utah [Mr. KING] has in his possession exempt the issuance of passports between this country and Canada. That is important.

Mr. KING. Mr. President——

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

Mr. GALLINGER. Certainly.

Mr. KING. This morning I had an interview with representatives from the Department of Justice and the Department of Labor, also with Mr. Flournoy, of the State Department, and with Mr. Carr, who, as the Senator knows, has been in the State Department for many years.

Mr. GALLINGER. In charge of the Consular Service.

Mr. KING. Yes; in charge of the Consular Service—a very competent and a very superior public official.

Mr. GALLINGER. Yes.

Mr. KING. If Canada were the only country involved, there would be no need of this legislation; but the Senator will see—and I do not care to make any invidious comparisons—that we have neighbors in other quarters that do not occupy the same relation to us that Canada does; and it is to meet conditions that arise there and arise elsewhere that legislation of this kind is required. But there is no purpose to disturb the present relations between this country and Canada or to impede in any way the intercourse between the two countries. Indeed, I am advised that unless new developments arise no change whatever will be made in the present modus operandi by which the intercourse between the two nations is secured.

Mr. GALLINGER. Mr. President, the very industrious Senator from Utah has rendered a service in calling this matter to the attention of the officials he has named. It is important that we should have some definite information when a bill of this kind is presented to us for consideration and action.

I suggested yesterday—and I will take but a moment, perhaps, to repeat what I said—that New England is largely dependent upon Canada for labor in our factories and in our forests and in other industries that are carried on there. We have two or three great railroad lines running from New England to Canada, and traversing, indeed, the entire Dominion; and our business relations are very intimately connected with Canada.

I have felt for many years that so far as our economic laws are concerned Canada has the better of us. We have dealt very liberally with Canada in our statutes. I am not going to find fault with that now. That is a matter that will adjust itself

in the future, if it is thought of sufficient consequence to be reconsidered. But my anxiety has been, and to some extent I have an anxious thought now, that nothing shall be done to interrupt the cordial and friendly relations of the two countries, because I know that if anything of the kind did occur it would be in the nature of a disaster to the section of the country that I represent.

Canada has been a liberal customer of the United States, always buying very much in excess of what we have bought from her, and perhaps in that respect we have had the advantage of Canada. But however that may be, the assurance which the Senator from Utah gives us, and which the Senator in charge of the bill gives us, satisfies me that we can do no better than to pass the bill as it is written; and I shall give my vote for it fully satisfied that what has been said to us about the purpose of the department, and which I feel sure will be the purpose of the President, will protect the interests that I in part represent and in which the Senator from Minnesota and the Senator from Washington are equally interested. That is all I care to say.

Mr. TOWNSEND. Mr. President, I understood the Senator from New Hampshire to say that he was satisfied with the bill as written. I think the amendment offered by the Senator from Utah to section 2 much improves it.

Mr. GALLINGER. I had the impression that that amendment had been agreed to.

Mr. HALE. Mr. President, I also saw Mr. Flournoy, of the State Department, and he assured me, as he did the Senator from Utah, that our relations with Canada would not be disturbed by this bill, and he also explained to me that there were other reasons why they did not want the bill affirmatively to leave out Canada. He would not state to me just what those reasons were. I can not see any difference between excluding Canada in the regulations and excluding Canada in the bill. Perhaps the Senator from Utah can explain that matter to me. I have prepared an amendment on this question, and I was intending to introduce it unless I should be satisfied on that point.

Mr. KING. Mr. President, I do not know that I can explain it to the satisfaction of the Senator from Maine, or to the satisfaction of other Senators; but it does occur to me that it would not be wise or prudent legislation, in a general bill, to discriminate in favor of any one country. Mexico is our neighbor. Theoretically, at least, we are on terms of amity and peace with her. Her ambassador is here; our ambassador is in the City of Mexico. If we were to discriminate in this legislation by excluding one country from the operations of the bill, some other nation with which we are at peace might feel affronted and say that this Republic was favoring one nation at the expense of another.

Mr. HALE. Mr. President, will they not have the same feeling when they are excluded in the regulations?

Mr. KING. I do not think that would be the case, because, as suggested by the Senator from Tennessee, the regulations will be flexible. Different conditions are found upon the northern border than those which are found upon the southern border; and where officials are authorized to make regulations adapted to conditions that they have to meet, certainly other nations could not urge the same objection to the fact that those regulations differed that they could urge to a statute which upon its face discriminated against a nation with which we are at peace. Moreover, the statute to be effective must be general and contain no exceptions.

Mr. SHIELDS. Mr. President, I will suggest to the Senator that different regulations can be made to apply to different facts and circumstances with respect to different nations, which of course can not be done in a statute. There must be some administrative discretion in the matter.

Another point is that we could not well except British subjects from this bill when it applies to citizens of the United States. In order to be effective, this bill must apply to everyone. We can not tell who comes into the United States in the guise of an American citizen, or of a French citizen, or of an English subject, and yet is a German spy. We must have either efficient, effective protection, or none at all; and therefore an exception as to British subjects, which is in substance an exception of the Canadian border, would make the bill absolutely abortive. That is the real reason for not making any exceptions, as I see it.

I believe, Mr. President, the question is on the amendment of the Senator from Utah.

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

The amendment was agreed to.

Mr. SHIELDS. I ask that the committee amendments be now considered.

The PRESIDING OFFICER. The Secretary will state the amendments of the committee.

The first amendment of the Committee on the Judiciary was, on page 1, line 3, before the words "the United States," to strike out "Section 1. When" and insert "That when"; and in line 9, after the word "unlawful," to strike out "except under such reasonable rules, regulations, and orders, and subject to such limitations and exceptions as the President shall authorize or prescribe," so as to make the clause read:

That when the United States is at war, if the President shall find that the public safety requires that restrictions and prohibitions in addition to those provided otherwise than by this act be imposed upon the departure of persons from and their entry into the United States, and shall make public proclamation thereof, it shall, until otherwise ordered by the President or Congress, be unlawful.

The amendment was agreed to.

The next amendment was, on page 2, line 4, to strike out "unless and until he shall have secured from such official or department as the President shall designate permission to depart or enter, as the case may be," and insert "except under such reasonable rules, regulations, and orders, and subject to such limitations and exceptions as the President shall prescribe," so as to make the clause read:

(a) For any alien to depart from or enter or attempt to depart from or enter the United States, except under such reasonable rules, regulations, and orders, and subject to such limitations and exceptions as the President shall prescribe.

The amendment was agreed to.

The next amendment was, on page 2, at the end of line 13, to strike out the period and insert a semicolon; at the end of line 17, to strike out the period and insert a semicolon; at the end of line 21, to strike out the period and insert a semicolon; at the end of line 24, to strike out the period and insert a semicolon; and on page 3, at the end of line 4, to strike out the period and insert a semicolon.

The amendment was agreed to.

The next amendment was, in section 2, page 3, line 10, before the word "such," to insert "That after," so as to make the section read:

SEC. 2. That after such proclamation as is provided for by the preceding section has been made and published and while said proclamation is in force it shall, except as otherwise provided by the President, be unlawful for any citizen of the United States to depart from or enter or attempt to depart from or enter the United States unless he bears a valid passport

The amendment was agreed to.

The next amendment was, in section 3, page 3, line 17, before the word "person," to strike out "Any" and insert "That any," so as to read:

SEC. 3. That any person who shall willfully violate any of the provisions of this act, or of any order or proclamation of the President promulgated, or of any permit, rule, or regulation issued thereunder, shall, upon conviction, be fined not more than $10,000.

The amendment was agreed to.

The bill was reported to the Senate as amended, and the amendments were concurred in.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

Mr. POMERENE. Mr. President——

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

Mr. POMERENE. I yield.

Mr. SHIELDS. I move that the Senate request a conference with the House of Representatives upon the bill and amendments and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer appointed Mr. SHIELDS, Mr. KING, and Mr. NELSON conferees on the part of the Senate.

ORDER OF BUSINESS.

Mr. SHAFROTH. Mr. President——

The PRESIDING OFFICER. The Senator from Colorado.

Mr. SHAFROTH. I have here a bill that is very urgent. It is called——

Mr. POMERENE. Mr. President, I shall insist upon my recognition. I will not give way for the bringing up of another bill at this time.

Mr. SHAFROTH. I will say to the Senator that this is a matter of letting the signatures of the new bank notes that have been authorized to take up the $350,000,000 of silver that is to be retired to be lithographed instead of signed.

Mr. POMERENE. Mr. President, we have here a bill that relates to the housing of 450,000 people in the District of Columbia.

Mr. SHAFROTH. I do not think there will be any debate on this bill. If it gives rise to any debate, I will withdraw it.

Mr. POMERENE. Mr. President, we had some experience with one of those banking bills the other day. I do not want to be discourteous about the matter, of course.

Mr. SHAFROTH. There are different banking bills, and I found that the Senators were very jealous of the right to overdraw. They are not jealous of the bill that I am presenting to-day.

Mr. POMERENE. Mr. President, there was an understanding, I think—not a positive agreement, but an understanding—that the chairman of the Committee on Post Offices and Post Roads would permit me to take up and complete the consideration of this bill. I am hoping that there may not be much debate upon it, but I can not yield for that purpose.

The PRESIDING OFFICER. The Chair will say to the Senator from Ohio that the Chair recognized the Senator from Colorado, and it will be for the Senate to determine the question as to which bill shall be considered.

Mr. POMERENE. Mr. President, I thought I had the floor first. I have been trying to get it several times this morning; but if the Presiding Officer recognized the Senator from Colorado, I yield, of course.

Mr. SHAFROTH. Mr. President, I ask unanimous consent for the present consideration of Senate bill 3900, a copy of which I have sent to the desk.

Mr. GALLINGER. Let the bill be read in full, Mr. President.

The PRESIDING OFFICER. The Secretary will read the bill.

The SECRETARY. A bill (S. 3900) to amend and reenact section 5172 of the Revised Statutes of the United States.

Mr. POMERENE. I will say that while there was not a positive arrangement, I have been led to believe that the chairman of the Committee on Post Offices and Post Roads will yield to me for the consideration of the rent bill, and if that is the way he is feeling about it now I would certainly appreciate it. I do not think the Senator from Colorado ought to ask that the bill he is seeking to have considered shall displace the rent bill.

Mr. SHAFROTH. It can be passed in less time than we have taken to discuss it now.

The PRESIDING OFFICER. The hour of 2 o'clock having arrived, the Chair lays before the Senate the unfinished business, which will be stated.

The SECRETARY. A bill (H. R. 7237) making appropriations for the service of the Post Office Department for the fiscal year ending June 30, 1919, and for other purposes.

Mr. BANKHEAD. I ask unanimous consent that the unfinished business be temporarily laid aside in order that the Senator from Ohio may proceed with the rent bill, which he has in charge.

The PRESIDING OFFICER. Is there objection? The Chair hears none.

Mr. SMOOT. Do I understand that the rent bill is before the Senate?

Mr. POMERENE. It is not yet before the Senate, but I hope the Senator from Colorado will yield.

Mr. SHAFROTH. I will state, if the Senator will permit me, that if it takes more than five minutes to consider the bill I wish to have passed I shall withdraw it.

Mr. POMERENE. I have a very distinct recollection that the Senator made a similar promise when we had the Porto Rican bill before the Senate and that it lasted for several months.

Mr. SHAFROTH. There was a certain conspiracy on the Porto Rican bill that I could not control. It will not take any time to dispose of this bill. No one will make any objection to it. It merely permits a lithographic signature instead of a signature in writing in the case of the one and two dollar bills which have been authorized to be issued in lieu of the $350,000,000 of silver retired. It only affects that one thing.

Mr. GRONNA. Mr. President, a parliamentary inquiry. May I inquire what is before the Senate? I understand that the Post Office appropriation bill has been laid aside.

The PRESIDING OFFICER. The unfinished business has been temporarily laid aside.

Mr. POMERENE. May I also add that it was done to give me permission to call up the rent bill?

The PRESIDING OFFICER. The Chair understands that that was involved in the request of the Senator from Alabama. Unanimous consent was asked by the Senator from Alabama to lay aside the Post Office appropriation bill temporarily in order that the rent bill might be taken up. Is there objection? The Chair hears none.

RENT ADMINISTRATOR FOR THE DISTRICT OF COLUMBIA.

The Senate, as in Committee of the Whole, proceeded to consider the bill (H. R. 9248) to prevent extortion, to impose taxes upon certain incomes in the District of Columbia, and for other purposes, which had been reported from the Committee on the District of Columbia with an amendment in the nature of a substitute.

Mr. FRANCE. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The Senator from Maryland suggests the absence of a quorum, and the Secretary will call the roll.

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

Ashurst	Hale	McKellar	Sterling
Baird	Henderson	New	Sutherland
Bankhead	Hitchcock	Norris	Swanson
Beckham	Hollis	Nugent	Thomas
Borah	Johnson, Cal.	Page	Thompson
Calder	Jones, N. Mex.	Pittman	Tillman
Chamberlain	Jones, Wash.	Poindexter	Townsend
Culberson	Kellogg	Pomerene	Trammell
Curtis	Kendrick	Robinson	Underwood
Dillingham	Kenyon	Saulsbury	Vardaman
Fall	King	Shafroth	Wadsworth
Fletcher	Kirby	Sheppard	Warren
France	Knox	Shields	Watson
Gallinger	Lewis	Smith, Md.	Weeks
Gerry	Lodge	Smith, S. C.	Wilfley
Gronna	McCumber	Smoot	

Mr. BECKHAM. I announce that my colleague, the senior Senator from Kentucky [Mr. JAMES], is detained by illness. I ask that this announcement stand for the day.

Mr. SUTHERLAND. I wish to announce that my colleague [Mr. GOFF] is absent owing to illness.

The PRESIDING OFFICER. Sixty-three Senators have answered to their names. There is a quorum present.

Mr. POMERENE. I ask that the bill be read.

The Secretary proceeded to read the amendment of the Committee on the District of Columbia, which was to strike out all after the enacting clause and insert a substitute, and read to the end of section 5, on page 12.

Mr. CALDER. Is it in order to offer an amendment at this time to the section just read?

The PRESIDING OFFICER. The Chair is of the opinion that it is not in order to offer an amendment at this time pending the reading of the amendment.

The Secretary resumed and continued the reading of the substitute, which is as follows:

That by reason of the existence of a state of war, it is essential to the national security and defense, and for the successful prosecution of the war, to establish governmental control and assure adequate regulation of real estate in the District of Columbia for and during the period hereinafter set forth, and the President, through the rent administrator, is authorized to make and promulgate such rules, regulations, and orders, not inconsistent herewith, as are essential effectively to carry out the provisions of this act.

SEC. 2. That the rent for real estate within the District of Columbia shall not be in excess of the following rates herein provided for:

(a) The rent, whether by the day, week, month, or year, at which real estate was let on October 1, 1917, or (b) if not rented on that date, the rent, whether by the day, week, month, or year, at which it was thus last let before that date, or (c) if real estate was not rented on or prior to October 1, 1917, then it may be rented for an amount equal to 7 per cent net on a valuation equal to the assessed valuation of said property for taxation plus 50 per cent thereof. Said rents above prescribed shall be the standard rents for said several classes of property, and prima facie shall be reasonable rents therefor.

SEC. 3. (a) That where the landlord or lessor incurs expenditures on the improvement or structural alteration of such real estate (not including expenditures for decoration or repairs), an increase of rent at the rate of not exceeding 7 per cent per annum on the amount so expended shall not be deemed to be an increase of rent for the purposes of this act.

(b) Any transfer to a tenant of any burden or liability previously borne by the landlord or lessor shall be treated as an alteration of rent, and where, as a result of such transfer, the terms on which such real estate is held are, on the whole, less favorable to the tenant than the previous terms, the rent shall be deemed to be increased, whether or not the sum periodically payable by way of rent charge is increased; and any increase of rent as a result of any transfer to a landlord or lessor of any burden or liability previously borne by the tenant, where, as the result of such transfer, the terms on which such real estate is held are, on the whole, more favorable to the tenant than the previous terms, shall be deemed not to be an increase of rent for the purposes of this act.

(c) Wherever any increase of rent is by this act permitted, no such increase shall be due or recoverable until 30 days after the landlord or lessor has served upon the tenant a notice in writing of his intention to make said increase, accompanied by (1) a statement of the improvements or alterations effected and their cost, where the increase is on account of such expenditures; or (2) a statement showing particulars of the increased amount charged, where the increase of rent is on account of such increase in rates.

The landlord or lessor and lessee may make contracts or leases for daily, weekly, monthly, or yearly rental of real estate so as to net the landlord or lessor not exceeding 7 per cent per annum for the use or occupancy thereof on the value of the property as fixed by its assessment for taxation. Such value for the purposes of this act shall be one and one-half times said assessment so long as the present basis for taxation continues, but if such basis is changed the value for the purposes of this act shall be changed accordingly, so that the rent shall in no case exceed 7 per cent per annum on the actual value of the property.

SEC. 4. That no person shall in consideration of a grant, renewal, or continuance of any contract or lease require or receive the payment of any fee, fine, premium, bonus, or other consideration in addition to the rental stipulated in said grant, renewal, or continuance.

SEC. 5. That no judicial order for the recovery of possession of any real estate now or hereafter held or acquired by oral or written lease, or for the ejectment or dispossession of a tenant therefrom, shall be made, and all leases thereof shall continue so long as the tenant continues to pay rent at the agreed rate, or as it may be modified under the provisions of this act, and performs the other conditions of the tenancy, except on the ground that the tenant has failed to take reasonable care of the premises, or has committed waste, or has been guilty of conduct which is a nuisance or amounts to a disturbance of the peace of adjoining or neighboring occupiers or a violation of law, or that the premises are reasonably required by a landlord for the occupation by himself or his family while in the employ of or officially connected with the Government; and where such order has been made but not executed before the passage of this act, the court by which the order was made may, if it is of the opinion that the order would not have been made if this act had been in operation at the date of the making of the order, rescind or modify the order in such manner as the court may deem proper for the purpose of giving effect to this act: *Provided*, That any provision in any oral or written lease that the same shall be determined or forfeited if the premises shall be sold is hereby declared to be void while this act shall be in force, and every purchaser shall take the conveyance of any premises subject to the rights of all tenants in possession thereof, under the provisions of this act.

SEC. 6. That if the rent of real estate as herein permitted shall not equal 7 per cent per annum net on the valuation thereof as herein determined, then upon application by the landlord it may be increased by the Rent Administrator so as not to exceed said amount.

In fixing rents of real estate there shall be taken into account the taxes and assessments thereon, the cost of reasonable repairs and maintenance, and of light, heat, water, and elevator and other service where furnished, as well as a proper allowance for depreciation and nonoccupancy. Rents in excess of the rates herein provided are hereby declared to be against public policy and void, and if accrued or paid after the passage of this act such excess may be recovered by the lessee, his assigns or legal representatives if action shall be begun therefor within six months after the expiration of his tenure.

In the case of hotels or apartment houses, or of rooms or apartments in hotels or apartment houses, which have not been rented to tenants or guests on or before October 1, 1917, the rates shall be fixed by the Rent Administrator at the same prices, as nearly as may be, as are permitted to be charged for similar accommodations by hotels or apartment houses of the same character similarly situated in the District of Columbia.

SEC. 7. That when the real estate is rented furnished, the Rent Administrator shall authorize a fair and reasonable rental of said real estate, including furniture, but such rent shall not be in excess of double the amount that the administrator would be required to fix for said real estate if unfurnished on all leases in existence at the time this act shall take effect. On all real estate rented furnished after this act shall take effect such rent shall not be more than 50 per cent in excess of the amount that the Rent Administrator would be required to fix upon such real estate if unfurnished and shall be subject to the approval of the Rent Administrator.

In cases where a joint charge is made for the use of real estate, furnished or unfurnished, and for food, meals, or board, the Rent Administrator shall ascertain what part of said joint charge should properly be made for the use of said real estate, and it shall not be in excess of the rates herein authorized. In no case shall the furnishing of food to lessee or lessees be included in the lease, but such agreements shall be separate and apart from any agreement for the rent of real estate.

SEC. 8. That landlords and managers of hotels, apartment houses, and boarding houses and others letting rooms or apartments, furnished or unfurnished, shall keep conspicuously posted in said hotels, apartment houses and boarding houses, rooms or apartments, cards to be furnished by the Rent Administrator showing the rates authorized or approved by the Rent Administrator for the said rooms or apartments, and said cards shall recite that said rates are so authorized or approved by the Rent Administrator.

SEC. 9. That the President is hereby authorized to appoint a rent administrator, who shall be a resident of the District of Columbia and a citizen of the United States. He shall have full power and authority, and it shall be his duty, under the direction of the President, and subject to the provisions of this act and the rules and regulations herein authorized, to fix, revise, and change, upon his own motion or upon the application of any person or party in interest, including mortgagees, the amount of rent which can be lawfully charged and received for the use and occupancy of any real estate in the District of Columbia now or hereafter to be rented, leased, sublet, transferred by assignment of lease or contract, or with respect to which a tenancy may be created or extended, or by any new lease or contract. Any and all orders or findings of the rent administrator fixing or revising and changing rents shall be final and shall take effect as of the date of the application filed with the rent administrator: *Provided*, That any person or party in interest, including mortgagees, may, within five days, prosecute an appeal from any such orders or findings of the administrator to the real estate board of equalization and review of the District of Columbia, which, for the purposes of this act, is hereby created the board of rent appeals, under and in accordance with such rules and regulations as may be made by the President governing such appeals, and said board is hereby authorized to confirm or modify the said orders and findings of the rent administrator in any way the facts may justify not inconsistent with the provisions of this act and the rules and regulations governing appeals herein provided for. The orders and findings of the rent administrator shall continue in full force and effect until such appeal shall be decided by the board of rent appeals, which decision shall be final.

Before fixing, revising, or changing the amount of rent which can be lawfully charged and received for the use and occupancy of any real estate five days' notice of the motion or application made for that purpose shall be served personally upon the parties in interest, or by leaving copies of said notice at their usual place of residence within the District, and if residing out of the District, by mailing a copy of said notice by registered letter to the person receiving the rent at his last known place of business, and if his place of business be not known, then by posting a copy of said notice in the office of the rent administrator.

SEC. 10. That all persons letting real estate shall be required to keep books of account, open at all times to the inspection of the rent administrator or his authorized agents, showing the rents charged and paid, including the names of the tenants or renters, and also an itemized statement of the taxes and assessments thereon, the cost of reasonable repairs and maintenance, insurance, light, heat, water, and elevator, or other service, where furnished, as well as a proper allowance for depreciation or nonoccupancy. No item shall be considered by the rent administrator in fixing the rent of property which does not appear in such account.

SEC. 11. That the said rent administrator and the board of rent appeals are hereby empowered to summon witnesses and require the production of books, papers, and accounts, and to administer oaths and affirmations to witnesses so summoned, and take testimony respecting the matters covered by this act.

SEC. 12. That any person who shall knowingly receive rents on real estate in excess of those permitted by the terms of this act or who shall knowingly by any sale or transfer or by any act or subterfuge evade or attempt to evade its provisions shall be guilty of a misdemeanor and be subject to a fine not exceeding $1,000 or to imprisonment not exceeding six months, or both.

SEC. 13. That any house or building not occupied by the owner or a tenant for a period of three months immediately preceding the passage of this act, or for a period of five months after the passage of this act, may be commandeered by the President of the United States for the period of the war and six months thereafter, and used for war or Government purposes, the rentals and conditions of tenancy to be fixed by the rent administrator in his discretion.

SEC. 14. That the rent administrator shall receive a salary of $4,000 per year, and he is authorized to employ one assistant at a salary not to exceed $2,500 per year; two field men at salaries not to exceed $1,800 per year each; and two clerks or stenographers at salaries not to exceed $1,200 per year each, provided said assistants and clerks shall be necessary for the proper administration of his office.

SEC. 15. That if any clause, sentence, paragraph, or part of this act for any reason shall be adjudged by any court of competent jurisdiction to be invalid, such judgment shall not affect, impair, or invalidate the remainder thereof, but shall be confined in its operation to the clause, sentence, paragraph, or part thereof directly involved in the controversy in which such judgment shall have been rendered.

SEC. 16. (a) That the term "real estate" as herein used shall be construed to include lands, buildings, parts of buildings, houses, dwellings, apartments, rooms, or suites of rooms, and every improvement and structure whatsoever, and every portion and part thereof situated and being in the District of Columbia, and any and all estates or rights therein or thereto.

(b) The expressions "landlord," "lessor," or "tenant" include any person from time to time deriving title under the original landlord, lessor, or tenant.

(c) The words "person" or "party" when used in this act shall be construed to include individuals, partnerships, joint-stock companies, associations, corporations, societies, or bodies corporate.

(d) The words importing the masculine gender shall be held to include other genders, and the words importing the singular number shall include the plural number, or vice versa.

SEC. 17. That this act shall remain in force during the present war, and for one year after a treaty of peace shall have been concluded and proclamation thereof shall have been made by the President of the United States.

SEC. 18. That to relieve, as far as possible, the congestion in the District of Columbia because of war activities, any commission, bureau, or any subordinate parts thereof, or other governmental agencies, not reasonably necessary to be located or continued within the District of Columbia shall be removed and transferred by order of the President to such convenient place as he may designate.

SEC. 19. That in order to carry out the provisions of this act there is hereby appropriated the sum of $50,000, or so much thereof as may be necessary, one half of said sum to be paid out of any money in the Treasury not otherwise appropriated, and the other half out of the revenues of the District of Columbia.

Mr. POMERENE. Mr. President, those Senators who have read the pending bill as reported by the committee will see that it differs materially from the bill which was passed by the House. I think very great credit is due to the chairman of the District Committee in the House and his colleagues on the committee for the time and attention they have given to this subject, and while the District Committee of the Senate was not able to give its approval to the plan which was devised by the House committee we do agree with them entirely in this, that the conditions in the District here are so serious that it would be a public calamity to permit this Congress to adjourn without having some radical legislation upon the subject regulating the rates of rentals.

The bill as passed by the House took as its standard for the determination of rents the rental rates as they existed during the year ending September 30, 1916, and then it was sought to place a tax upon all rents which might be collected by the landlord class over and above the rates for that year plus an increase of 10 per cent. In the hearings before the District Committee I think we were all persuaded that the rates for materials used in building and in repairs as well as the rates of wages for the working classes and attendants generally had increased from 75 to 85 per cent. I think Senators will be able to see that with a permitted increase of 10 per cent gross in the amount of rentals over and above the year 1916 and an increase of from 75 to 85 per cent in the cost of labor and materials there would be very little if in fact there would be any margin for the owner of real estate. Of course, I am quite sure that the Members of the Senate as well as the House desire to approach this subject in a spirit of entire fairness, both to the landlord class and to the tenant class.

Mr. McCUMBER. Mr. President, will the Senator right here enlighten us concerning the reason why we could not have adopted 1916 as the basis for those buildings that were already in existence and a different basis for those which have been built since at a greatly increased cost?

Mr. POMERENE. Mr. President, that is a question which would naturally occur to anybody who was investigating the subject. There may be many things said for the use of that year as the standard, except this, that at that time there were

a very large number of vacant buildings in the District. The number was variously estimated at from 4,000 to 10,000. I think it may be properly said that at that time the District was overbuilt; that is, there were more buildings here than were necessary for the proper housing of the people. Again, a good many people, as we were informed, had left the District for the purpose of securing employment in the armories and navy yards of the country. Taking into consideration the fact that there were so many vacant rooms and vacant buildings at that time we thought to use that year as a standard would perhaps not be quite fair.

Again, I think that I express the opinion of the members of the District of Columbia Committee generally when I say that the abnormal increases in rent in the District have substantially all occurred since October 1, 1917. As the Senator, because of his long official residence here in the District, is no doubt aware, the rent year in the District begins as of October 1 each year. So we thought that, generally speaking, the rates of rental on October 1, 1917, might not be unfair if used as a prima facie standard. If the Senator has observed the reading of the bill, as no doubt he has, he will find that, while we have what might be called a triple standard here, the rates therein prescribed are only prima facie reasonable; in other words, we have three classes: First, those properties which were rented as of October 1, 1917; second, those properties which were not rented at that time, but which had been theretofore rented; and, third, those properties which have been rented since October 1, 1917.

I may say that in the course of the hearings and our deliberations upon the subject, necessarily we were troubled in seeking to determine what would be a fair rate of rental.

Mr. McCUMBER. Mr. President, will the Senator allow me to interrupt him?

The PRESIDING OFFICER. Does the Senator from Ohio yield to the Senator from North Dakota?

Mr. POMERENE. Yes.

Mr. McCUMBER. Of course, the committee necessarily had the means of obtaining the truth in regard to these rentals and when they became excessive, which I have not; but I am certain that as early as May and June of last year the complaint was very general throughout the city by those coming here at that time that excessive charges were then being made.

Mr. POMERENE. Well, Mr. President, I have no doubt that the Senator from North Dakota has heard of instances of that kind, but my belief is that, while there were, perhaps, too many such cases, yet they were comparatively few when the large number of lettings in the District are taken into consideration.

Mr. KELLOGG. Mr. President——

The PRESIDING OFFICER. Does the Senator from Ohio yield to the Senator from Minnesota?

Mr. POMERENE. I yield to the Senator from Minnesota.

Mr. KELLOGG. I think that generally in May and June, 1917, there were enormous numbers of residences and apartments in this city for rent that were not rented, and that there was not an overdemand at that time, but that very shortly afterwards, in July and August, there was.

Mr. POMERENE. There were then a good many demands. I think that is a fair statement of the situation. At the same time, I have no doubt of the truth of the statement made by the Senator from North Dakota [Mr. McCUMBER] to the effect that there were certain overcharges.

Mr. President, one bill was presented for the consideration of the committee which left the determination of the rate of rent absolutely to the discretion of the rent administrator. We did not feel that that was sound. We felt that Congress itself should prescribe certain landmarks, which would be regarded as fundamental, and that within those limits, of course, we should have to give the rent administrator a certain amount of discretion.

One of the questions that came before us was as to what limitation should be placed upon these rentals. Certain real estate agents and brokers who appeared before us brought one draft of a bill after we had had some conferences, to the effect that we should make a minimum and a maximum rate of net return, the minimum being 7 per cent and the maximum being 12 per cent. We have provided in this bill, in the determination of the amount of rent, for taking care of repairs, the cost of maintenance, the cost of light, the cost of heat, the cost of water, the cost of elevator, and of other personal service where such other personal service is rendered. We also allow for a proper charge for depreciation and nonoccupancy. I think that all Senators will recognize that those terms are somewhat flexible. Their proper administration must, of course, be left to the authorities provided in the bill.

I think I ought to say, in view of some statements which have been made in the public press, a word on the subject of the valuation which is used as the basis of this return. I find that some citizens seem to think that we allow not only for a net rental of 7 per cent on the actual valuation of the property, but that we have sought to add 50 per cent to that actual valuation. That is not correct. We have adopted the plan which is designated in this bill for this reason: Every two years in the District the real estate is reappraised. When that reappraisal is made the assessors seek to find the actual market value of the property. Then, when they make out their tax duplicates, the rule which they prescribed for themselves and which has been followed here in the District for a number of years, as I am informed, is that these properties shall be placed upon the tax duplicates at two-thirds of their actual valuation as they have ascertained it while making the appraisement. As a matter of fact, however, in practice, instead of using this 66⅔ per cent as a valuation to be placed upon the tax duplicates, they have used 70 per cent. So, assuming that all of the properties in the District are in fact placed upon the statute books at 70 per cent of their actual valuation, this would allow a net return of 7 per cent on $105 for every $100 of actual valuation. I think Senators will agree that it is next to impossible to get down to a mathematical nicety in defining rules of this character.

Mr. THOMAS. Mr. President——

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

Mr. POMERENE. I yield to the Senator.

Mr. THOMAS. I should like to ask the Senator from Ohio if he has seen the statement of a Member of Congress to the effect that the assessed valuation here is 100 per cent of the actual market value of the property?

Mr. POMERENE. Well, Mr. President, I have seen some statements which would indicate that, but that is entirely wrong. We had before us Mr. Richards, who is the tax assessor, and a number of Senators on the committee now have served for years and have been familiar with the matter. The Senator from Delaware [Mr. SAULSBURY] recently served upon a committee that made a very thorough investigation into the valuation of real estate in the District of Columbia.

Mr. THOMAS. I am not questioning the Senator's statement, he knows far more upon the subject than do I, but the statements to which I have called attention, and similar statements, are doubtless the basis of the impression that has pretty widely obtained that the assessed value of property here in the District and the actual value are identical.

Mr. POMERENE. I think that if the Senator will make inquiry about it he will find that that is wrong information.

Mr. THOMAS. The Senator's assertion is all that I want.

Mr. POMERENE. That is as I believe it, and when I make that statement I think that I express the views of the members of the committee generally.

Mr. KELLOGG. Mr. President——

The PRESIDING OFFICER. Does the Senator from Ohio yield to the Senator from Minnesota?

Mr. POMERENE. Yes; I yield to the Senator.

Mr. KELLOGG. I desire, if I may, to ask the Senator from Ohio a question. Of course, the actual assessed valuation of the property in the District would be entirely immaterial if all property were equally and fairly assessed, but I should like to know whether or not it is a fact that in arriving at the actual market value it has been done in the past with reasonable accuracy or has the market value which has been fixed really been below the actual value of the property?

Mr. POMERENE. Mr. President, I think I can say, as the result of all the information we have had on the subject, that when this valuation was made two years ago—the last valuation—those who later inquired into the subject—and when I refer to them I mean a committee, it was a joint committee of the Senate and the other House, as I recall—were very agreeably surprised to find how accurate this appraisement had been. There is, however, no complete record of that appraisal. The only complete record they have is the record of valuations as entered upon the tax duplicates.

Mr. KELLOGG. And that is 70 per cent of what they determined as the actual valuation of the property?

Mr. POMERENE. Seventy per cent of such valuation, as I understand.

Mr. KELLOGG. I suppose, of course, the Senator from Ohio is aware that while in many States the law requires property to be assessed at its full value, the practice is entirely different?

Mr. POMERENE. I am quite aware of that fact.

Mr. DILLINGHAM. Mr. President, will the Senator from Ohio permit an interruption?

Mr. POMERENE. I yield to the Senator from Vermont.

Mr. DILLINGHAM. In answer to the Senator from Minnesota [Mr. KELLOGG], I think it should be stated that Mr. Rich-

ards, the assessor, stated to the committee that he had informed himself regarding all of the sales of real estate throughout the city during the last two years, and that upon an average the actual sales of property had not been quite as high as had been the appraisals.

Mr. POMERENE. I thank the Senator from Vermont for stating that fact. I now recall it since he has stated it. I may say also that Mr. Richards has, as his corps of assistants, six gentlemen, five of whom have been in the service of his department for a good many years, and all of them, I am told, are very well equipped for the service.

Mr. GALLINGER. Mr. President, will the Senator from Ohio permit me an interruption?

Mr. POMERENE. Yes; I yield to the Senator.

Mr. GALLINGER. I will ask the Senator from Vermont exactly what he meant by stating that the sales had not been as high as had been the appraisals? Appraisals by whom? By the tax assessors of the value they placed on the property?

Mr. DILLINGHAM. Yes. I will say, in answer to the Senator from New Hampshire, the statement, as I understood it, was this: Property is appraised for the purposes of taxation substantially at two-thirds of what the appraisers deem to be its real value, and its real value is to be determined, as in the provisions of this bill, by the appraised valuation for purposes of taxation, adding 50 per cent to that. Now, taking the sum of appraised valuation and the 50 per cent added, you have what they call the "true valuation of the property." The statement was that the sales during the last two years had not brought prices quite so high as the real value which had been ascertained in that way.

Mr. GALLINGER. What I wanted to get at was the real value. There has been left an impression in my mind that it was the assessed valuation at the reduced rate.

Mr. DILLINGHAM. No; the real value of the property.

Mr. POMERENE. Mr. President, I think that the members of the committee were delighted to know with what accuracy this valuation work had been done here in the past in this city. At the present time there is a new valuation being made for this particular year.

Mr. GALLINGER. Mr. President, if the Senator will permit me——

Mr. POMERENE. Yes.

Mr. GALLINGER. I think the Senator is fully justified in giving great credit to the board of assessors; they are experienced and intelligent men——

Mr. POMERENE. They are.

Mr. GALLINGER. And yet here, as everywhere else, I apprehend, there have been assessments made wide of the mark. I do not know how it has been during the last two years, but I do know that a friend of mine was offered a piece of property in the city of Washington three years ago for $9,000 and that when he went to the books of the District he found it was assessed at $14,000. That I know; so that in that particular case they made a great mistake.

Mr. POMERENE. I have no doubt that many inaccuracies may be found; but we think that we have made this proposed law so flexible that, if any injustice is done to the property owner, he can go before the assessors and have the valuation increased, although, of course, that would increase it for the purposes of taxation as well. On the other hand, if the tenants are of the opinion that they are paying too much rental, or if the rent administrator himself shall be of that opinion after he shall have received information upon the subject, they have a right to have a resurvey of the rentals so far as those properties are concerned. So I think in that respect the bill will be found very fair, considering these abnormal times.

Mr. GALLINGER. Mr. President, if the Senator will permit me, I will ask him a question.

Mr. POMERENE. Yes.

Mr. GALLINGER. I have had very little time to analyze the bill, and I think in regard to the provision to which I am about to allude, it has been corrected from the draft as it is before me. I noticed in one bill that provision was made that the rent administrator could reassess the property.

Mr. POMERENE. That was changed afterwards, and I am glad to say, again, that we made that change after a conference with the real estate assessor here in the District.

Mr. GALLINGER. That was a very dangerous provision, it seemed to me, because it would disrupt the work of the board of assessors.

Mr. POMERENE. It would; and, while I, perhaps, may have been responsible for the first suggestion, I saw that it would be a serious mistake to interfere with the work of the assessor's office.

Mr. President, just a word as to the necessity for this legislation. I do not think there is any difference of opinion among the members of the committee on that subject; and, at the same time, I believe that every member of that committee had a feeling of regret that it was necessary to take up legislation of this character; but there are literally thousands of people in this District who have been mentally distressed because of movements on the part of their landlords to dispossess them or to increase exorbitantly their rentals.

To illustrate: The rent year begins October 1. As a rule, the landlords during the month of September preceding ask for renewals of leases, a perfectly proper and reasonable practice; but this year they began some time ago to serve notices upon the tenants in a number of the large apartment houses, asking the tenants to renew their leases for the year beginning October 1, 1918, at rates of rental 50 per cent and more in excess of the present rates.

Mr. GALLINGER. Mr. President, if the Senator will permit me——

Mr. POMERENE. I yield.

Mr. GALLINGER. Could the Senator state what apartment houses those were?

Mr. POMERENE. Well, the Decatur was one of them.

Mr. GALLINGER. That is not a very large one.

Mr. POMERENE. No; it is not one of the larger ones.

Mr. GALLINGER. It is an insignificant one.

Mr. POMERENE. The Cordova is another, as the Senator from Delaware [Mr. SAULSBURY] suggests, and the Alabama is another. Letters have come to us showing that similar notices were served upon all tenants in rows of houses owned by one man.

Mr. GALLINGER. I have no doubt, if the Senator will permit me, that there are a good many cases of that kind, and yet I think perhaps the Senator went a little too far in saying that the large apartment houses, as a rule, have done that thing. I live in an apartment house, as does the Senator, and I have had no such notice, and I apprehend the Senator has not.

Mr. POMERENE. I have not.

Mr. GALLINGER. And yet we live in two of the largest apartment houses in the city.

Mr. POMERENE. Perhaps I stated the fact too broadly; but I will say, without fear of successful contradiction, that there are entirely too many of them in which that practice is being followed. These rents, of course, were to be largely increased. Last fall there were substantial increases in some of them, not so excessive as they are now and not so excessive as it is believed they will be if the Congress does not do something to grant this relief.

All sorts of excuses have been suggested for dispossessing tenants.

Mr. DILLINGHAM. Mr. President, will the Senator allow me to add a statement?

Mr. POMERENE. I will be very glad to yield to the Senator.

Mr. DILLINGHAM. I think, on account of the inquiry made by the Senator from New Hampshire [Mr. GALLINGER], I should make a statement. I know of a street on the east side of this city, north of Lincoln Park, where the houses are almost wholly occupied by Government employees. My attention has been called to a block of 12 houses, and I have seen a letter, dated on the 25th day of April, from the owners of the houses giving notice to the tenants to quit in 30 days from May 1. On the 26th day of April another notice came from the owners, under the letter heading of a real estate firm in the city, notifying the tenants that the control of those houses had been placed in the hands of that real estate firm, as of date of April 26. I have in my hand here the Washington Post of Thursday, May 2, and in that issue appears an advertisement containing a picture of the houses in that block, or the houses at one end of the block, headed:

Kennedy-built homes north of Lincoln Park. Five sold; seven left.

In six days five of the dwellings in that block had been sold. Those houses were occupied almost wholly by Government employees, with their wives and their children—children in almost every instance—who had been living there from three to seven years; but they happened to be in there without written leases, paying their rent monthly.

There is an actual case to which I had my attention called. I am informed that on that same street other owners of real estate have taken the same course, so that there is hardly a house on either side of it where the occupants have not been served with notice to quit because the owners desired to sell the property. If that is true on one street of the city, of course it must be true on many other streets; and many other instances have come to my attention. I simply wanted to add

that to what the Senator from Ohio [Mr. POMERENE] has said in regard to the need of legislation on this subject.

Mr. POMERENE. Mr. President, I am obliged to the Senator for his contribution on that subject; and I may say, as indicating the extent to which these complaints are being made, that a captain in the War Department, who has been put there specially in charge of the subject of the housing of the Government employees here in the District, told me that during one week he had over 1,000 complaints of this kind. Landlords determined to put the tenants out or exact a very great increase in rent.

I happen to have here before me—I am not going to put it into the RECORD—a letter from a lieutenant commander in the Navy whose family has been in one of these apartment houses for several years, who had an increase in his rental last year of from 15 to 25 per cent. He would have expected to renew his lease during the month of September, but he is now served with notice that he must call at the office and renew his lease on or before May 10 at an increased rental of 33⅓ per cent over the increase of last year. I can imagine the frame of mind that one of our officers is in when he is going "over there" to render service to his country, to have somebody here in the very Capital of the Nation threatening to oust his little family while he may be away. That is the situation, and it is a very serious situation.

Mr. President, as to the rates of rental, I think I fairly state the subject as a fact, when I say that in the average industrial centers a gross rental of from probably 8 to 10 per cent is the prevailing rate, and a net return of 6 per cent on the average property is a fair rental. The committee was advised by the real estate assessor that here in the District there were about 200 first-class apartment houses, and that the average net rental on these 200 houses ranges between 6 and 7 per cent. There are probably between 900 and 1,000 apartment houses here all told. I mean by that all classes of such houses in the District, and nearly all of the tenants are occupying the premises on monthly or yearly leases. I can imagine what would happen when October 1 rolls around if Congress were to adjourn without doing anything on this subject.

Mr. WEEKS and Mr. GALLINGER addressed the Chair.

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

Mr. POMERENE. I yield first to the Senator from Massachusetts.

Mr. WEEKS. Mr. President, I am quite in sympathy with most of the purposes of this bill, but it occurs to me that the rental is not sufficient. Certainly it ought to be desirable to increase the building of houses in Washington rather than to destroy activity in that direction. I do not know anyone under present conditions who would undertake the building of new houses for rental purposes on a gross possibility of 7 per cent.

Mr. POMERENE. Mr. President, allow me to correct the Senator. Under this bill the net rental which may be received is 7 per cent.

Mr. WEEKS. After taking out taxes?

Mr. POMERENE. Net; after taking out all taxes, all assessments, all services in the nature of water, heat, light, elevator service, cost of maintenance, and a reasonable allowance for depreciation and nonoccupancy.

Mr. WEEKS. I have not read the bill in that way, but I do not think I will vary my statement even on that basis. I do not think it would be prudent to build houses on that basis with that as a maximum possibility. It seems to me that the amount should be increased somewhat.

Mr. POMERENE. Mr. President, I recognize the fact that there is perhaps room for an honest difference of opinion upon that subject; but in all of the large apartment houses and the business blocks of these larger cities a net rental of 4 per cent is what is usually expected. I have gone through a good many statements made by life insurance companies and reports from them as to the rentals, and so forth, and I think I am not very much out of the way. I think, however, that is too small; and we thought that when we provided a net rental of 7 per cent we were doing reasonably well.

Mr. WEEKS. I do not wish to follow up this proposition particularly; but let me ask the Senator himself if he had money to invest if he would invest it in real estate on that kind of a basis? He would be wiser to buy liberty bonds on a 4¼ per cent basis.

Mr. POMERENE. Mr. President, during an international crisis like this, if at the end of the war I had as much as I had at the beginning of the war, I would get down on my knees and thank my God.

Mr. DILLINGHAM. Mr. President, will the Senator allow me to interrupt him?

Mr. POMERENE. I yield to the Senator.

Mr. DILLINGHAM. It appeared in the evidence taken by the committee, in the testimony of Mr. Fairfax, the chairman of the real estate association of this city, that he deemed from 7 to 8 per cent a fair return on the properties they represented, after making these deductions.

Mr. KENYON. Mr. President——

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

Mr. KENYON. I feel sure that we would like to have the statement of the Senator from Massachusetts, whom we all recognize as an authority on questions of business, as to what, in his judgment, would be a fair net for rental return?

Mr. WEEKS. I should make the return 8 per cent, Mr. President, if I had the option.

Mr. POMERENE. Does the Senator mean by that a net return of 8 per cent?

Mr. WEEKS. A net return, as to which that should be the maximum.

Mr. POMERENE. Then the Senator is only 1 per cent in excess of the rate provided for in the bill; and I recognize the fact that there are certain flexible elements that may be taken into consideration under this bill. One is that of depreciation. Of course I think we would all agree that what might be a fair charge for depreciation on a first-class apartment house that was in a perfect state of repair might be one thing, and a proper amount of depreciation charge for a building that was in a bad state of repair might be another thing; and I believe that good business judgment will be exercised by the rent administrator or the board of rent appeals when that question comes up.

Mr. WEEKS. Mr. President, may I suggest to the Senator from Ohio that this law, when this bill becomes a law, will last for a year after the war. Presumably there will be a great falling off in the demand for accommodations in Washington as soon as the war is over, and that will make a material difference in the income which will be obtained from buildings in this city in the next year.

Mr. POMERENE. There may be some truth in that.

Mr. SAULSBURY. Mr. President——

Mr. POMERENE. I yield to the Senator from Delaware.

Mr. SAULSBURY. I only thought it would be well to call attention to a statement that has been made regarding the effect of this bill by several Senators who spoke the other day on the joint resolution which was then under consideration, and the Senator from Massachusetts referred to it in respect to this bill. The statement is that it will interfere with building operations; and almost in the same breath the same Senator, or some other Senator sitting beside him, says that there are no building operations going on now, and that no building operations can go on while the Government is taking to itself all the steel beams and plates and all the output of all the steel mills, and that practically people can not get building material. I think that is the condition. At present there is no building going on, except the completion of work which has been under way or contracted for; and in my humble judgment there will be none, except by the Government, during the period of the war.

Mr. POMERENE. May I add also in that connection that I assume that it prevails now, but, at any rate, in the past there has been an embargo upon the shipment of building material, unless it were shown to be absolutely necessary for the purposes of housing.

Mr. GALLINGER. Mr. President, will the Senator permit me to interrupt him?

Mr. POMERENE. I yield to the Senator.

Mr. GALLINGER. A moment ago, if I understood the Senator correctly, he suggested that the officials of the District of Columbia—the board of assessors, I presume—had suggested to the committee that a net return of 6 or 7 per cent would be a fair return.

Mr. POMERENE. No; I did not state it in that way, if the Senator please. What I stated was that their investigations showed that in the past there had been an average net earning, on the 200 best-class apartment houses, of between 6 and 7 per cent.

Mr. GALLINGER. I did not understand the Senator quite correctly then. I was about to ask whether they took into account the nonoccupancy of a portion of these apartments, or the nonoccupancy of residences. I recall a time—I think about three years ago—when I was told by members of the police force of the District of Columbia that there were over 9,000 vacant houses in the District of Columbia, and they remained vacant for a long time. They did not get any net return during that period. Of course, during that time also there were many vacant apartments in the apartment houses and vacant rooms in the hotels. Of course, if they figured it out and found the

actual income, no fault could be found with that; but I was wondering whether or not that was done.

Mr. POMERENE. Mr. President, I stated a moment ago that one of the objections to taking the year 1916 as the standard was the fact that there were so many vacant properties here in the District, and that that number had been variously estimated at from 4,000 to 10,000.

I may say, too, that one of the leading contractors and builders here in the city, who was before us, in discussing this very subject, said that he had notified his tenants that he would expect to make an increase in his rental charges of 50 cents per room per month, and that he believed that because of the fact that all of his rooms, or nearly all of his rooms, were rented, with this additional return, plus the increase, he would be able to take care of most of the increases in the cost of material and labor and of the increased cost of coal.

Mr. President, I think that all Senators who have studied this question must realize that we can not make a hard-and-fast rule which is going to apply with equal force to every piece of property of the various kinds that there are here in the District, and for that reason it is necessary to have a rent administrator, who can adjust little differences as they may come up.

Mr. GALLINGER. Mr. President, on that point, if the Senator will permit me, what about the other municipalities? Are there rent administrators anywhere else? I do not know. I ask for information.

Mr. POMERENE. Mr. President, I know of no rent administrator in this country.

Mr. GALLINGER. Then, really, this is a novel idea?

Mr. POMERENE. It is not entirely novel. The basic plan of this bill has been taken from the legislation of the British Parliament and the legislation of New South Wales and of New Zealand. If the Senator is interested in that subject, he will find the statutes of those various countries in the second part of the hearings before the Committee on the District of Columbia.

Mr. GALLINGER. Mr. President, on that point I was about to ask the Senator a moment ago whether the hearings held by the Senate committee have been printed.

Mr. POMERENE. They have been printed; yes.

Mr. GALLINGER. I did not know that.

Mr. DILLINGHAM. Mr. President——

Mr. POMERENE. I yield to the Senator from Vermont.

Mr. DILLINGHAM. In view of the discussion that has been going on, I thought I ought to call the Senator's attention to the testimony of Mr. Bates Warren as to what he thought the increases ought to be over the rates of October 1, 1917.

Mr. POMERENE. I shall be very glad to have the Senator do so.

Mr. DILLINGHAM. Mr. Bates Warren, as everybody knows, is probably the largest owner of apartment houses in the city, and owns the very finest ones, as well as some of the other ones. He was asked this question by the Senator from Ohio [Mr. POMERENE]:

> As a result of your conferences with these men, are you able to state in a general way what increase would be regarded as reasonable to be made on October 1, 1918, all things considered?
>
> Mr. WARREN. By taking the property that I just referred to as being property where service was given, I would have to state one reasonable figure. Taking the bare property where no service is given, I would have to state another reasonable figure.

He had been describing the elegant apartment houses, where they have all the modern improvements, elevator service, heat, light, bell boys, and everything of that kind, where the service was complete, as well as the other class of apartments, where there were no elevators. Then he continued:

> Senator POMERENE. Give us those figures.
>
> Mr. WARREN. It should not be less than 20 per cent in any event, in my opinion; about 25 per cent in the class of property where elevator service is given.
>
> Senator POMERENE. Twenty per cent in other properties where there is no such service?
>
> Mr. WARREN. I should say 15 per cent. Of course this is mere guesswork, more or less.

I call attention to that because of the exorbitant demands that are being made to-day all over the city. I call attention to the testimony of the man who is more interested in real estate than any other man in the city, and I call attention also to his opinion that in no case is more than 25 per cent advance in rents required to satisfy them.

Mr. POMERENE. Mr. President, it will occur to Senators also that you can not apply the same rule to furnished property that you apply to unfurnished property, and so we have fixed a limit so far as the furnished property is concerned. The testimony before our committee indicated, as well as statements that were made informally, that it was a general rule in hotels that the rent of a furnished room ought to be 100 per cent more than the rent for the unfurnished room, and we have made that the maximum, but we have provided that the rent for furnished rooms as well as the rent for unfurnished rooms should be subject to the final approval of the rent administrator.

But we found another evil prevailing in the District. A good many of the landlords who heretofore have been renting their rooms and apartments unfurnished have decided that they would oust the present tenants and furnish these rooms, so as to get the increased rentals. Of course, there ought to be an increased rental for a furnished room over and above that of an unfurnished room; but we have made the maximum rental which may be charged for a furnished apartment or room which is hereafter furnished 50 per cent over and above the rental which would be allowed for the apartment or room unfurnished.

Of course, there must be a good deal of difference in the views of different practical men as to what might be a reasonable rate or perhaps a reasonable return, and we decided that we would not trust this administration entirely to a rent administrator, but that we would provide for a board of rent appeals, and an appeal can be taken from this rent administrator to the board of rent appeals. We provided that the present board in this District known as the Real Estate Board of Equalization and Review of the District should constitute this board of rent appeals. It is composed of the real-estate assessor and six assistants, four of whom are employed for the valuation and assessment of real estate and two of them for the valuation and assessment of personal property. All of these six men save one have been in the employ of the city and devoting their time and attention to this class of work for years, and we were told also that the sixth one was a very capable man. We hardly knew how we could get any board of review that would probably serve more faithfully and more justly the people of the District than this board.

I think that is all I care to say on the subject now.

Mr. GALLINGER. Mr. President, I regret to say that I have had little time to analyze the bill. I regret that any necessity has arisen in the District of Columbia, as I would regret that it should arise in any municipality in the country, whereby the ownership and rental of property should be interfered with by law. Undoubtedly the conditions here are somewhat unique, and I presume injustices are being practiced upon a portion of the population. I apprehend that they exist everywhere else in the United States; and if it were possible for Congress to enact a law of this kind and make it applicable to all the cities of the country, it would appeal to me more strongly than it does to have it apply simply to the District of Columbia.

Some of the evils complained of here are quite as much due to people who have come into the District of Columbia during the past few months as to the owners of real estate. When a rich man comes here and tenders his services to the Government for a dollar a year, and then goes out and offers half the value of a furnished house for its occupancy for a single year, he is setting a pace that I think naturally becomes contagious; and the owner of a fine house or the owner of an apartment house which has cost a large amount of money and which, perhaps, has a large deed of trust on it—because a deed of trust comes pretty near being a universal thing in the District of Columbia—naturally feels that as everything has increased in price, as these rentals are being made at these exorbitant rates to a certain class of men who have come here to serve the Government and enjoy the hospitality of Washington, he might as well get a little something in addition for himself.

I had not supposed that the matter had extended as far as the Senator from Ohio [Mr. POMERENE] and the Senator from Vermont [Mr. DILLINGHAM] say it has. We always have greedy men; we always have men who concern themselves little in the welfare of others. If they can benefit themselves, they are very apt to make exactions that are unreasonable. I suspected that that was the case in the District of Columbia to some extent, but I did not suppose it had become infectious, and I think it is well that attention has been called to it.

I want to say in advance that I am not making, and will not make, any factious opposition to this bill. I regret very much indeed the necessity of passing it. I think it is a bad example; but if it is absolutely necessary, of course we will support it and take our chances with it.

I have been a tenant for 30 years in the city of Washington. I own one bit of real estate, of no great value, and I have recently reduced the rental for the purpose of accommodating a man who is in the service of the Government. I think, perhaps, I am unique in that respect, but I was glad to do it; and I have known a few other instances where men have even sacrificed their interests to a certain extent to accommodate friends. But I have been a tenant for 30 years, and I have

never felt that I have been imposed upon. I have occupied houses in Washington—a furnished house that I might have continued to occupy longer than I did—at a rental which I thought was very low indeed. I thought it was too low as far as the interests of the owner were concerned. For the most part, I have been in hotels and apartment houses. I have not thought that I have been imposed upon. I do not recall an instance where I have been imposed upon. I have been three years in the apartment house where I now live, one of the largest in the city, and I have thought that the price I paid for a very modest apartment was reasonable. I have not been notified that it is to be increased. Perhaps I shall have that pleasure in the near future. I do not know how that may be. Possibly this bill may save me to some extent; but I have not had that notice, and I have inquired of people in the larger apartment houses in the city and I have yet to have a tenant in one of the really large apartment houses tell me that the practice which the Senator from Ohio says has been current to a large extent has been practiced in that class of apartment houses.

Mr. President, with that preliminary I want to ask the Senator from Ohio a few questions about the bill, because, of course, we want the bill to be a good bill if it can be made a good bill. At any rate, we want it to be the best possible bill that we can have on a subject of this kind.

I was not aware until a moment ago—and doubtless that is my own fault—that the hearings before the committee had been printed. Had I known that, I certainly should have read every word of the hearings, and I am certain that I would have had a great deal more information on the subject than I have at the present time. When the bill was reported I looked for a report, and there was no written report. I venture to say that I think it is always a mistake when an important bill is reported to the Senate to omit making a written report and calling attention to the salient points in the proposed legislation.

Mr. POMERENE. Mr. President, I think that is a sound criticism. We perhaps should have presented a written report; but we were all pressed, and we hoped to get action upon the bill at an early date.

Mr. GALLINGER. But that omission would have been supplied had I known that the hearings had been printed and had I had an opportunity to examine them.

In glancing over the bill—and I have glanced over it very hurriedly—there are a few points that I want to call to the attention of the Senator.

I do not think we can arbitrarily fix a date that will be just to all parties in interest. The committee has fixed it at October 1 last, which is six months ago. I have had experience during the last six months, not so much in renting an apartment as in providing food and clothing for myself and those who are dependent on me; and if rents had been increased during those six months to the extent that the prices of the necessaries of life have been increased in the city of Washington, the situation to-day would have been much more startling than has been depicted by the Senator from Ohio. So I think that in fixing that arbitrary date of October 1 some injustice will necessarily be done to owners of real estate, because the price of everything connected with the upkeep of their property has been vastly increased. The price of coal has been increased; the price of elevator service has been increased; the price of labor necessary to be employed around even a private residence has been largely increased; and there ought to be some allowance made for that. The overhead charges are not what they were on the 1st day of October last by any manner of means. We all know that, all of us who have even very trifling interests in real estate.

Mr. POMERENE. Mr. President, if the Senator will permit me——

Mr. GALLINGER. Certainly.

Mr. POMERENE. Let me observe, first, that the rate as of October 1 is only the prima facie rate for that class of property. For property which was not rented then, but which had been rented theretofore, we took as the prima facie reasonable rate the rate at which it had been last rented before that date. Then, of course, there are other properties that have been rented for the first time since that date, and we provide for a net rental of 7 per cent on that class of property; but those rates are only tentative, and they can be changed by the rent administrator on his motion or on the application of the landlords. Then, if the Senator will allow me to refer him to section 6, on page 13, we care for all of the different items to which the Senator from New Hampshire has just referred:

> In fixing rents of real estate there shall be taken into account the taxes and assessments thereon, the cost of reasonable repairs and maintenance, and of light, heat, water, and elevator and other service, where furnished, as well as a proper allowance for depreciation and non-occupancy.

Mr. GALLINGER. But notwithstanding that, I will ask the Senator if an arbitrary per cent increase is not provided for in the bill?

Mr. POMERENE. I am not sure that I catch the import of the Senator's question.

Mr. GALLINGER. I may be not well informed; as I said, I have not had time to carefully analyze the bill; but after taking into account those various items of expenditure upon what basis, then, is the rental fixed?

Mr. POMERENE. The rental will be so fixed that it will earn a net rental of 7 per cent per annum on the value of the property, and when determining that they must take into consideration all the various items of expense to which I have referred.

Mr. GALLINGER. I am very glad of that. I think that is a wise provision.

Then I notice in section 2 it is provided that the rent on October 1, 1917, whether by the day, week, month, or year, shall be the standard of rent at the present time. It occurred to me to ask this question: Suppose last year the property was rented by the year and now it is rented by the day or week, would it not be manifestly unfair to require the present rate to be at the same rent as the former?

Mr. POMERENE. I think the Senator fails to take account of this fact: If the property was rented on October 1, 1917, then that is the rate which shall be used as the standard for that property for the time being; in other words, it is prima facie a reasonable rent, and that may be subject to any change that a sense of justice would require.

Mr. GALLINGER. The point that I meant to make, very clumsily stated, no doubt, is this: A man owns a house in the city of Washington with 20 rooms, and he rented it by the year October 1, 1917. There has been a great demand for individual rooms in the District of Columbia, greater than I think there ought to be, because we have a thousand people here who ought to be somewhere else. That man says, "I am going to rent my house now by the individual rooms; these young women or these young men want rooms," would the Senator hold that the aggregate rental of those 20 rooms as individually rented should be the same amount that he got when he rented to one person?

Mr. POMERENE. No; Mr. President, there may be just such a confused state of facts with regard to a particular property as the Senator has in mind, but assuming that to be so, then the rent administrator has the right to subpœna the landlord and compel him to furnish his books, and he can determine then what shall be a reasonable rate.

Mr. GALLINGER. I am very much afraid of administrators in view of the experience that we had with a Fuel Administrator and a Food Administrator. I am much afraid of a rent administrator.

Mr. POMERENE. I wish the Senator would not refer to a Fuel Administrator; it irritates me.

Mr. GALLINGER. They ought to get a good man for $5,000 a year. I hope they will not take a man interested in real estate in the District of Columbia, because about half the population are interested in that laudable business. I trust that they will find somebody else outside of the profession when they select an administrator. Perhaps they will.

I was going to suggest an amendment, but there are probably committee amendments that are to be acted upon first.

Mr. POMERENE. I may say that there is only one committee amendment, and that is a substitute, so what the Senator has in mind would be in order now.

Mr. GALLINGER. Just at this point I am going to offer an amendment. It need not be acted on now. I am going to suggest this amendment at the bottom of page 9:

> *Provided, however,* That nothing herein contained shall be construed to affect or bring within the scope of this act properties wherein during the period of its limitation the character of the same has been changed or converted from dwelling to business uses.

Mr. POMERENE. In my judgment the bill is broad enough, if it should become a law, so that it would take into consideration just that condition. I really believe that if the Senator will——

Mr. GALLINGER. I will send the amendment to the Senator, and he can look it over.

Mr. POMERENE. Very well.

Mr. GALLINGER. Of course, if the bill covers it I have nothing to say, but my attention has been called to quite a number of properties that on October 1, 1917, were occupied for residence purposes and have since been converted into business purposes, and naturally the rental has greatly increased over what it was.

Mr. POMERENE. That would no doubt change it, and I think the rent administrator has full authority under the act to make that change.

Mr. GALLINGER. I am still afraid of the rent administrator.

Passing along, I notice there is a provision, I think in section 6, that rents that have been collected in excess of those permitted by the bill may be recovered by the lessee if action is commenced within six months after the expiration of his tenure. It occurred to me to ask the Senator, Suppose a man pays excess rent for a couple of months or six months after the passage of the bill, after which the rent is reduced, and at the end of 10 years or more he moves out; could he not then recover the excess rent that he paid 10 years before if this bill becomes a law? Of course, to do that we would have to get rid of the statute of limitations, I suppose. I hope the Senator will look carefully at that provision in section 6. It may not need any change at all, but upon reading the bill that occurred to me as a possibility, at least.

Mr. POMERENE. My thought was that if he had possession of the property and was paying an exorbitant rent he would probably not continue to rent that length of time.

Mr. GALLINGER. I may be wrong again as to section 7, but I am going to direct attention to it. That section provides that furnished houses, if rented before the act takes effect—that is, before the approval of this statute—may be allowed at a rate double that which would be allowed for the same house unfurnished. I want to read that again: Furnished houses, if rented before this act takes effect, may be allowed at a rate double that which would be allowed for a house if unfurnished; but if the furnished house is rented after this act takes effect an increase of only 50 per cent is allowed over what would be permitted if the house was unfurnished. Why the difference between those two rates?

Mr. POMERENE. The Senator perhaps was not in when I at least attempted to explain that provision, or perhaps I did not make myself entirely clear. We found after a pretty thorough investigation and after hearing what practical men had to say upon the subject that it was a sort of a general rule that the owners of furnished rooms or furnished apartments charge a rate about 100 per cent in excess of what they would have charged for the same room or apartment if unfurnished; and we found that there was what we believed to be a growing evil here in the District. At the present time a number of landlords are seeking to dispossess their tenants. These tenants perhaps had been furnishing their own rooms or apartments and they were to be unceremoniously put out of the place and the landlord would then seek to furnish the apartments, thinking that they could thereby get a largely increased rent; in other words, furnish them cheaply and charge these exorbitant rates. I have had quite a number of cases of that kind called to my attention, where the landlord had been renting apartments for a number of years to these tenants and they furnished them themselves, and the owner said, "We want you to move out. We intend to furnish these apartments and rent them ourselves." We thought that that kind of work ought to be discouraged here in the District at this particular time.

Mr. McCUMBER. Mr. President, I ask the Senator from New Hampshire if he will allow me to ask the Senator from Ohio a question right here?

Mr. GALLINGER. With pleasure.

Mr. McCUMBER. I have never quite understood why so high as 100 per cent extra should be allowed for furnished rooms, even where they had been furnished. Let me explain it, and then the Senator will see the force of my question. I know a great many of what are called single-room apartments in the city that are renting for about $30 per month, or have been in the past. They consist of a small living room, a kitchenette, a bath, and two closets. I know about the furnishings of some of those rooms, and I know absolutely and unquestionably that all the furniture in them could be purchased for from $60 to $75, and I should say in many instances I know of their being furnished with secondhand furniture for $40, but I take it at $60 as a fair basis. The furniture consists of a couch which can be converted into a bed, a chair or two, a dresser, and a chiffonier of the cheapest kind of oak or other wood. Now, where the room then would rent unfurnished for $30 per month you would allow them $60 a month, and receive for 12 months $360 additional for furniture that did not cost over $60.

Mr. POMERENE. Mr. President, the Senator from North Dakota is having the same difficulty with this subject that members of the committee had. Let me make a suggestion: I am in entire sympathy with what he has said when he illustrates it by the example which he has given. On the other hand, we found that there were a good many apartments in the District that were paying a comparatively small rent, and the occupants of those apartments had been collecting all sorts of furniture of very great value, and ordinarily would not rent out their apartments except when they would be absent from the city or something of that kind, and perhaps they yielded to the tempter somewhat, too. In a case of that kind I think the Senator would agree with me that it was not quite fair to unduly reduce the limit. Just to-day I had a letter. I am not going to give the name of the writer; I am sorry he wrote me the letter; but I am going to read a paragraph from it.

> I rent an apartment on ——— Street, within 14 squares of the White House, for which I pay $85 a month rent, because I have a five years' lease on the apartment. Other tenants in the building are paying $100 a month for a year lease. I am a man of moderate circumstances, and rented my apartment furnished to a man who is rated as a millionaire several times over. I value the furniture in the apartment at $5,000, and I lease the same to him for $365 a month.

Mr. McCUMBER. After all, is not that an exceptional case, and could not that be met by some provision that would take into consideration the value of the property? Heretofore, of course, you could receive for a rented room furnished considerably more than the difference between the value, because there are a great many tenants, knowing that they could stay here but a few months in the year, and knowing that they could not sell their furniture for 25 cents on the dollar for what they paid for it, would be willing to pay quite an excessive rent for the use of furniture for a given length of time; but ought that condition to justify us in allowing landlords to furnish rooms and then charge an extra amount of from 100 to 400 per cent upon the value of the furniture they put in the rooms?

Mr. POMERENE. I think the Senator, perhaps, has not borne in mind accurately the language of the section of the proposed statute. It only fixes the outside limit; and there must be a reasonable rental, and it must be subject to the approval of the rent administrator. I dare say if there is a rent administrator who thinks that 25 per cent would be a reasonable increase because of the furniture there is in the room, he surely would not—at least, he ought not to—allow an increase of 100 per cent.

Mr. McCUMBER. The Senator will recall that whenever we have allowed a bureau or anyone else to pay, for instance, not exceeding a certain salary they always regard that as the minimum and, without any further consideration, always pay those salaries.

Mr. POMERENE. There is a good deal of force in the Senator's criticism; but let us bear in mind that, unfortunately, a good many of the officers of the type to which the Senator refers belong to that class who have absolutely no regard for the public, and if they can use the public funds for their own benefit, directly or indirectly, they will do it. But here this administrator is sitting as a quasi judge. He is simply administering this subject with reference to its relation not only to the tenant but to the landlord or vice versa.

Mr. McCUMBER. I hope the Senator from New Hampshire will allow me one other word. It is to suggest that we will so amend the bill that in no case shall the charge for the furniture be more than 50 per cent a year, so that the tenant would not more than pay for it in two years. Then, if there is anybody who wishes to go into a house with gold furniture that is diamond studded, and wants to pay a price based upon such very valuable furniture, he will have the privilege of doing so.

Mr. POMERENE. I think there could perhaps be some modification of the bill made in that behalf; but I want to remind the Senator of the fact that when it comes to the making of a lease in the future the limit is 60 per cent of the rental of the room if unfurnished, and 100 per cent is the maximum only as applied to those rooms that are already rented, and then it is subject to the approval of the rent administrator.

Mr. GALLINGER. Mr. President, I am also in sympathy with the suggestion made by the Senator from North Dakota, and yet I wonder how we can interfere with the arrangements that have been made. Some leases run for five years, and where there has been such a lease of an apartment I imagine we can not well tear that up by the roots and establish a different principle as applied to it. I think 50 per cent ordinarily for the furniture of a room or an apartment is a very liberal allowance, and I should think that might be amended.

In this connection the Senator from Ohio read a letter which showed that a man who had an apartment—I judge not an elaborate one—had sublet it to a rich man at an enormously increased amount over what he paid. I am going to ask the Senator if the bill deals with the matter of subletting apartments, and can it well deal with it?

Mr. POMERENE. Yes; it controls it. If the Senator's attention has not been specially called to that, he will find in one of the closing sentences of the bill that the words "landlord," "lessor," or "tenant" include all persons who claim to hold "under the original landlord."

Mr. GALLINGER. Does the Senator think that it is possible for us to control the matter of subletting apartments by statute? A man rents an apartment for $200 a month or $100 a month,

and some man comes along who has more money perhaps than discretion, and he offers him $400 a month for it if he will sublet it to him for the balance of his lease. Is there any reason why that man should not do that?

Mr. POMERENE. Yes.

Mr. GALLINGER. I want to get at the reason.

Mr. POMERENE. In the first place, if the Senator will permit me, I think he overestimates the number of cases that he has in mind, for this reason, that in nearly all the leases in the District there is a clause prohibiting releasing or reletting.

Mr. GALLINGER. I have never happened to see one, I will say to the Senator.

Mr. POMERENE. That was the information we had from some owners of apartment houses. In a number of cases I think that provision has been ignored.

Then, again, there is this to be said: Some people have rented apartments perhaps with the privilege of subletting them, but I am sorry to say that there are a good many of that class of people who have been among the greatest offenders in charging these exorbitant rates. I do not think we ought to unduly interfere with these matters, but it is a question as to what is going to be the best good for the greatest number in a time of great war.

Mr. GALLINGER. In the cases I referred to the offense is not on the part of the man who holds the lease; it is on the part of the man who wants to sublet.

Mr. POMERENE. You mean the proposed tenant?

Mr. GALLINGER. Yes. The man who holds the lease is ordinarily willing to separate some money from the rich man who wants to sublet his apartments at a much higher rental than he himself is paying, and I think we ought to accommodate that class of rich men and take all the money from them we can.

Mr. POMERENE. Except for this reason: It appeared in the hearings that a number of people drive out to a house that will suit their fancy and go in and offer to pay some exorbitant rent, and the owner yields to the temptation. If there were only those two parties concerned I do not think I would lie awake at night out of sympathy for the person who overpaid, but there have been a number of very rich people who have come here and though a great many of them have done very good work, and I want to give them all credit for it, in some respects, and particularly when it comes to the leasing of property, I think they are a mighty expensive luxury to the city of Washington. The result of it is that other people who have smaller apartments to rent yield to the temptation, and when they see somebody else who is better favored with this world's goods doing these things naturally they say, Let us do it likewise.

Mr. GALLINGER. Yes; those bad practices are apt to become epidemic.

Mr. McKELLAR. Will the Senator from New Hampshire yield to me to ask a question of the Senator from Ohio about subletting?

Mr. GALLINGER. Certainly. This is an experience meeting.

Mr. McKELLAR. I have not examined the bill with the care that I ought to have examined it, but I ask the Senator from Ohio if provision is made for this kind of a situation: There are many people who leave here for the summer months and have apartments that they could very well sublet, but as the Senator stated a while ago and as we all know is customary, there are provisions prohibiting the subletting of apartments except with the consent of the lessor. Suppose the owner of one of these apartment houses or several of the owners or all the owners of the apartment houses would just decline to permit the subletting of the premises. For instance, I have in mind a case where a young man wanted to send his family out of town in summer and he desired to sublet his apartment while they are gone, and the landlord has arbitrarily refused to permit those apartments to be sublet. Now, has he any remedy?

Mr. POMERENE. You are dealing with a pretty serious problem now. If this tenant wants a right to sublet he ought to have the consent of his landlord.

Mr. McKELLAR. That is true, but these conditions exist, and the landlord will feel aggrieved by the passage of this bill.

Mr. POMERENE. I think there will be something of a spirit of accommodation about it. I can understand how any landlord and particularly any landlady would be very glad to have the Senator rent from him or her, but they might object very radically if he were to sublet to every Tom, Dick, and Harry who might come around. That is one of the questions that we have got to deal with, and I do not know that it would be the part of wisdom to attempt to control it absolutely.

Mr. GALLINGER. I quite agree with the Senator from Tennessee [Mr. McKELLAR] that that is a matter of some consequence. If the landlord refuses to allow the tenants to sublet it keeps out of occupancy and prevents a shelter to some people who would be glad to get possession of those houses or apartments. To that extent it aggravates the present situation.

Mr. McKELLAR. Yes; if the Senator will permit me, it means that if the landlords refuse to allow the tenants to sublet many apartments in the city of Washington would not be used at a time when they were very much in demand.

Mr. GALLINGER. That goes without the saying.

Now, Mr. President, just one or two more suggestions, and these are not criticisms that I am making but suggestions, because I want information that the Senator from Ohio can give me.

The second paragraph of section 7 reads substantially: In cases where board and room are paid for jointly the rent administrator is to separate the two items and to ascertain what is a reasonable charge for the rooms.

Now, let us imagine that the rent administrator takes up a case of this kind, $10 a week for a room and board. A poor girl occupies it. She complains that it is too much. She wants to have the room rent reduced, and your administrator separates it and says the room is worth $6 and board $4, and I will fix it at that rate; or he will make a reduction in the room rent. If the room rent is reduced, what is going to prevent the owner of the premises from increasing the board?

Mr. POMERENE. We have not attempted to take control of the question of the price of meals or boarding. We can not do that. The purpose is this: We did not want the landlord or hotel keeper to conceal under a joint charge an exorbitant charge for the rooms. That was the reason which prompted the committee.

Mr. GALLINGER. I apprehend that will be innocuous. I do not think it will have any effect at all. I think the same amount will be reached in a different way.

Mr. POMERENE. It may be so.

Mr. GALLINGER. I notice that $50,000 for this purpose is appropriated in this bill. Of course, these are times when we do not take into account the amount of an appropriation, especially when it is in the thousands it does not count at all; but $50,000 is appropriated, and the pay of the clerical force provided by the bill amounts to $12,500. Of course, there will be some other little expenses, a little furniture, I apprehend, and the rent administrator will be domiciled in the Municipal Building, if they can find room for him, and there is no reason why they should not, because, according to my observation, the rule now is to give about twice the space to each individual clerk that is actually needed. I simply make the suggestion that I think if the amount were put at a smaller sum than $50,000 there would be less danger of extravagance.

Mr. POMERENE. Mr. President, the Senator from New Hampshire has a right to know, and it is my desire to give him, the reasons for fixing the appropriation at this amount. It is true we found upon inquiry that there would be sufficient room in the Municipal Building. It was thought that all that would be needed would be his assistants and clerical hire. The Senator, of course, realizes that, as this is an untried proposition, it is going to be next to impossible for anyone to say within a few hundred or perhaps several thousand dollars what will be the reasonable expense. It will be necessary, of course, to have some supplies and records; and it may be that, while after they have been thoroughly established they may get along with less clerical or field force than they can at present, it is impossible for us to state with exactness how many assistants might be required.

Mr. GALLINGER. Well, Mr. President, unless history fails to repeat itself, they will not get along with less force but they will demand an increased force.

Mr. POMERENE. May I ask, for information, what is the Senator's judgment as to the amount that should be appropriated here?

Mr. GALLINGER. I think a $30,000 appropriation here would be adequate. That would leave them $17,500 outside of the clerical force and the $5,000 employee.

My attention was attracted to the language of section 16, which reads:

> The words "importing the masculine gender" shall be held to include other genders.

Did the Senator from Ohio notice that language?

Mr. POMERENE. Yes.

Mr. GALLINGER. Is it correct?

Mr. POMERENE. Yes; I think so. The owner might be either of the masculine or the feminine gender, or perhaps, in the case of a corporation, what we know as the neuter gender.

Mr. GALLINGER. If the Senator from Ohio thinks that is good language, I have no objection.

Section 17 strikes me as being ambiguous in that it fixes two dates. I will state to what I refer. That section fixes two dates on which the bill ceases to be in effect, namely, one is "one year after a treaty of peace shall have been concluded," and the other is "one year after a proclamation thereof shall have been made by the President of the United States." Those two dates may be not widely apart, but they may be some distance apart, to say the least. I would suggest to the Senator that he should use the words which, I think, we have used in the other statutes—"one year after the proclamation of peace shall have been made by the President of the United States."

Mr. POMERENE. That is what was intended. If there is any ambiguity about it, I shall have no objection to an amendment.

Mr. GALLINGER. At this point I move that amendment to section 17, in line 12, after the word "force."

The VICE PRESIDENT. The amendment proposed by the Senator from New Hampshire will be stated.

The SECRETARY. In section 17, page 19, line 12, after the word "force," it is proposed to strike out the remainder of the section and in lieu thereof to insert "for one year after a proclamation of peace shall have been made by the President of the United States," so that, if amended, it will read:

That this act shall remain in force for one year after a proclamation of peace shall have been made by the President of the United States.

The VICE PRESIDENT. Without objection, the amendment is agreed to.

Mr. GALLINGER. Mr. President, I am glad to see a suggestion in section 18 that the President is given authority—an authority that I think he now has—to distribute this mass of employees that is coming into the District of Columbia into other sections of the country. I remember when Admiral Harris was put at the head of the Shipping Board—he did not serve there very long, but he was there for awhile—that he suggested that he wanted to move the force to Philadelphia, where they made ships, instead of putting them on F Street, in the District of Columbia, where, according to his observation, they never had built a ship. I think if his suggestion in that respect had been carried out at that time it would have been a very wise thing. I am not quite sure but that the President has already done something in that line with the Shipping Board or with some other board; perhaps the Emergency Fleet Corporation has been moved, or the suggestion has been made that it ought to be moved.

On that point, Mr. President, I will repeat what I said a few days ago, that this congestion in the city of Washington, because of the influx of clerks and specialists and almost every conceivable class of people, could very easily be removed by distributing them to other sections of the country. Baltimore is near at hand, and I apprehend it would welcome a few thousand of them if they went over there. Probably they could provide some place for them to eat and sleep. New York is still on the map and could be reached. I think if the Food Administrator went over to New York—and the farther away, if they could find a place for him, the better it would suit me—I think if he were sent over to New York with his tremendous force and the $75,000 worth of chairs that he has bought—I believe that is right—and two or three hundred thousand typewriters that he has bought—I mean machines—that New York would be a very good place for him.

Mr. CALDER. Mr. President, will the Senator from New Hampshire yield to me?

Mr. GALLINGER. I yield to the Senator.

Mr. CALDER. Of course New York City would welcome the Government activities referred to by the Senator from New Hampshire, but I would also tell him that we are having almost as difficult a housing situation in that city as now exists here. At no time in the history of New York have we needed more than at present new buildings for people to live in. We are prevented from having them to some extent because of the attitude of the Treasury Department in advising the banks and mortgage companies against loaning money upon mortgages on real estate. If the Treasury Department changed its attitude, the money could be obtained, new building would be encouraged, and we might then be able to help the housing problem we are facing here.

Mr. GALLINGER. I did not suppose that New York ever got more than she could take care of in any respect, and I merely imagined that Mr. Hoover, his clerks, and his outfit could be taken care of in New York. At any rate, I would try the experiment if I had the authority to do it.

Then I would take the Fuel Administrator and send him to Pittsburgh or somewhere else in Pennsylvania where they mine coal, where, perhaps, he would get first-hand information concerning the production and the distribution of coal instead of having him in palatial rooms, surrounded by a coterie of highly paid clerks in the city of Washington.

I trust that the suggestion in this bill—as I said a moment ago, I do not believe it is necessary—may lead the President in some leisure hour, which I presume even the President of the United States has, to review the situation, and to see why Washington could not, at least to some extent, be protected, because, as the thing now stands, Washington is going to be in such an unprotected state that we shall have to double our police force; and I do not know what else we shall have to do to take care of the interests of the people who have toiled and saved and built homes here and who are supposed to enjoy the usual comforts of life.

I had read into the RECORD the other day an article from a paper which is published I think in a comparatively obscure town in the State of Wisconsin, which advertised the fact to the citizens of that State that 35,000 more clerks are immediately needed in Washington. I believe it was clerks and draftsmen and people of that kind. The suggestion has been made from some other quarter that we shall need 75,000 or more in the near future. The Lord only knows what they are needed for, and the Lord only knows how we shall take care of them, unless we put tents on not only the public property but on private property in the city, and try to take care of them in that way. However, they come and they are invited to come. The newspapers in every State are telling the young men and the young women to come. They are telling the young men on the farms to leave the farms and come to Washington; that there are places for them with good pay; and, as the article in the Wisconsin newspaper said, the work is all in the United States; that they need not stay at home and take the risk of the draft, but should come to Washington and get a position in the public service, where they will be exempted from the draft. There are a good many of them who are looking in that direction at the present time.

I think it is a matter that should be carefully looked into by some committee or by the President or by the heads of the departments. I do not know how it could be reached, but something ought to be done about it.

Now, Mr. President, I am going to suggest a title for the bill which I think is better than the one it now has. I will send it to the Senator from Ohio, and if he thinks it wise he can make use of it, for there is no copyright or patent on it.

Mr. POMERENE. Mr. President, if I may say a word, the Senator from New Hampshire, of course, realizes that this is a House bill, and that we are offering what the committee has reported as an amendment to the House bill.

Mr. GALLINGER. But we may change the title.

Mr. POMERENE. Oh, yes; and I think it is necessary to have some change in the title.

Mr. GALLINGER. The title of the bill is "to prevent extortion"—it may be that is well enough—"to impose taxes upon certain incomes." There is no provision in the bill to impose taxes upon incomes so far as I have been able to discover.

Mr. POMERENE. That was in the House bill, and we have not modified it. It will be necessary, in my judgment, to amend the title of the bill.

Mr. GALLINGER. Yes; I was going to propose a change of title, so as to read:

To provide further for the national security and defense—

Of course, that is a patented phrase which we have to use anyhow. I presume we will have to use it in the case of pension bills very soon—

To provide further for the national security and defense by controlling and regulating the rents of real estate in the District of Columbia.

I suggest some such title as that.

Mr. President, I have said all I care to say about this bill. Perhaps some Senators may be disposed to think I have been inclined to be jocular; I have not felt that way. I can only express my regret that there is necessity for legislation of this kind, absolutely overturning our system of government in this respect, destroying the relation of landlord and tenant which has prevailed from the foundation of the Government to the present time, and while, perhaps, the system has not always worked as well as could have been wished, nevertheless we have been able to go along with it under the law of supply and demand, and very little harm has come from it. But all at once we are confronted with this tremendous influx into the city of Wasnington of young men and young women, most of them not qualified for the places they are trying to fill, as I chance to know, and probably something ought to be done, and it is very possible that this legislation is the best that can be conceived. The committee deserves a great deal of credit for the labor which they have expended upon it.

Mr. SMITH of Maryland. Mr. President——

Mr. GALLINGER. I yield to the Senator.

Mr. SMITH of Maryland. If the Senator will pardon me, I want to say that, so far as I am concerned, my feelings are in entire accord with his in regard to this legislation; and I think I can say in behalf of most, if not all, of the members of the committee, that they share the regret that conditions and circumstances are such as to call for any such bill as this.

Mr. GALLINGER. I am very glad to have the Senator say that, because, knowing the Senator from Maryland as I do, and looking at him, as I have been doing in my rambling remarks this afternoon, I have wondered whether this proposed legislation did appeal to the Senator from Maryland, a sound, conscientious, old-fashioned business man.

Mr. SMITH of Maryland. I wish to say to the Senator from New Hampshire that it is very displeasing to me to be called on to enact such legislation. It is turning aside from all the paths along which business has been regulated and conducted in the past. It is not in accord with my views of doing business, and I would be glad if the necessity for this legislation could be obviated. It is not only displeasing to me, but I think it is regretted by the entire membership of the committee, so far as I know, that it should be necessary to enact such a bill as this.

Mr. GALLINGER. Mr. President, I am a very careful man about little things, because I have to be. I have been in Washington about 30 years, and I have had some experience with reference to the cost of living in the city of Washington. We were wise enough to increase the salaries of the Members of both Houses of Congress. I was warned at the time that if I advocated the increase, which I did with a good deal of vigor, I would be called to account for it by my people; but I was not, and I have seen very little adverse criticism on the part of the people of any State of the American Union because of the fact that we have increased our salaries. We are now increasing the salaries year by year of the subordinate employees of the Government, which I think is entirely just and right; but when it comes to the question of increased rents, in my opinion, that is a small evil compared to the increase in everything else. I have an impression that the average merchant in Washington comes from his counting room in the morning and says, "Well, boys, mark it up 5 or 10 per cent to-day," and I dare say it will be 15 per cent after a little while. I made a little purchase this morning of an article for which I paid over twice the amount I paid for a similar article here one year ago.

If Congress has the right to upset all the traditions and customs of the country and go into the matter of regulating rents and leases and all that sort of thing, denying to men the right to sell their property, if they want to sell it, and holding them up, I have wondered whether they could not with equal propriety take up the broad question of prices, with which our Democratic friends were going to deal in 1912, according to their platform of that year, in which they said they were going to reduce the high cost of living. Thinking that there may be at some time further legislation on this subject, or possibly that it may appeal to the committee, I am going to have the Secretary read an amendment, which I am not going to offer, but which I will have read for the information of the Senate, because it expresses exactly my views on the subject, and when that is done I am through.

The VICE PRESIDENT. Without objection, the Secretary will read as requested.

The Secretary read as follows:

Add at the end of the bill a new section as follows:

"SEC. 20. From and after the passage of this act the prices in the District of Columbia of the articles enumerated below shall be that at which they were sold on October 1, 1917, to wit:

"Sugar, flour, milk, evaporated milk, canned tomatoes, canned corn, canned peas, canned beans, corn meal, hominy, rice, oatmeal, macaroni, spaghetti, prunes, canned salmon, navy beans, lima beans, catchup, canned soup, split peas, black-eyed peas, asparagus, asparagus tips, canned beets, cream of wheat, sardines, molasses, table sirup, canned peaches, canned pineapple, peanut butter, cornstarch, canned spinach, rib roast, chuck roast, plate beef, porterhouse steak, sirloin steak, round steak, chuck steak, hamburg steak, butter, fresh hams, fresh shoulders, fresh pork chops, fresh pork roast, corned shoulders, corned hams, smoked hams, smoked shoulders, smoked bacon, smoked sausage, pure lard, compound lard, potatoes, onions, lettuce, sweet potatoes, cabbage, apples, bananas, lemons, and all other articles of food whatsoever; coal, wood, coke, fuel oil, gas, electricity, and all other articles of fuel whatsoever; clothing, of cotton, wool, leather, or other material and all articles entering into its manufacture; and in addition to the above every article or commodity sold or offered for sale in said District."

Mr. GALLINGER. I have not offered that as an amendment; it was read for the information of the Senate.

Mr. KELLOGG. Mr. President, I should like to ask the Senator from Ohio a question in relation to section 13 of the bill, which provides in substance that the President may commandeer certain vacant property, and that the rentals and conditions of tenancy shall be fixed by the rent administrator in his discretion.

I was under the impression that property could not be commandeered for public use, except on the payment of compensation to be fixed ultimately by a court, and that that was a judicial question which could not be taken away from the courts. If the Senator having charge of the bill is of that opinion I will suggest an amendment which would make the section constitutional. I may be wrong about the Constitution; my views upon that subject have had to be revised a good many times since the war commenced, but my education is such that it rather seems to me that it might be well to make the section constitutional.

Mr. POMERENE. Will the Senator offer his amendments?

Mr. HARDWICK. Mr. President, I want to say just a word or two about this bill. I do not see how I can vote for it if I believe there is any Constitution of the United States left at all and if I remember the oath I took as a Member of this body to support and defend it. I have no idea that any court in the world would ever uphold or sustain this bill. I have no doubt that during war times and as a part of the war power the Government of the United States can commandeer the use of property of any sort for war purposes. It can not, however, enact legislation applicable to a whole people on matters thoroughly disconnected with the prosecution of the war, nor can it take property under circumstances like the present without providing for the ascertainment of the value of the property by due process of law, as provided in the fifth amendment to the Constitution; and due process of law, as provided in the fifth amendment, has been held by every court that ever considered it to be ascertainment of the facts by a court and jury in a judicial proceeding.

Undoubtedly, for the purpose of prosecuting this war, we could provide that, wherever it was necessary to do so, the Government could commandeer and condemn leasehold estates, if necessary, to house people whose activities were necessary to the Government in the prosecution of the war; but we must confine it strictly and solely to that; and we can not even do that much without providing that in the end the question of what these rents shall be is a matter for judicial determination to be decided by a court and jury.

I am in sympathy with the expressions of many Senators about the almost intolerable condition that exists in the District. As some Senator expressed it earlier in the session, Washington at present is very much like an overcrowded western mining camp. There are a great many things that we, acting as the municipal council of the District of Columbia, can do constitutionally and properly to relieve the situation. I am willing to do them all, and to go as far as we can within the limits of the power that we have to act; but so far as this particular question is concerned I have no doubt as to what those limits are, and I have in like manner no doubt that this bill far exceeds and passes those limits.

Mr. CALDER. Mr. President, I offer the amendment which I send to the desk.

The VICE PRESIDENT. The amendment will be stated.

The SECRETARY. On page 12, line 6, after the word "Government," it is proposed to insert "or has been disposed of to a bona fide purchaser for his own occupancy.'

Mr. CALDER. Mr. President, this amendment is offered so that in case the owner of a house in the District of Columbia is compelled to part with his property because of business needs he may be able to dispose of it to a purchaser who intends to occupy it. As I read the bill, the owner of a house in this city would be unable to give possession if he sold his property even to an intended occupant if his tenant was in the Government employ and a monthly tenant. I have in mind a case that was called to my attention yesterday. About three months ago the rent of the home of a Government employee in this District was raised, and he was compelled to move because he could not afford to pay the additional rent. Thereupon he purchased a piece of property, paying $500 down, and agreeing to pay the balance in stipulated semiannual installments until the entire purchase price was paid. He finds now, under the terms of this bill, as it has been construed, he will be unable to get possession, although he made the purchase in good faith. If we are going to enact legislation to prevent people from selling their property to bona fide purchasers in many cases it will mean ruin.

A similar amendment was agreed to in the joint resolution passed yesterday, and I am hopeful that it will not be objected to now. Very often, Mr. President, whole communities change because of improvements in the style of buildings. One has only to point to a situation like that existing on Broadway, New York City, between Chambers Street and Twenty-third Street, where property may be purchased to-day at 40 per cent of what it brought 10 years ago. Who can tell but what the

same conditions may exist in this city after the war, and for us to say that a person shall be prevented from disposing of his property at a profit by hedging in the opportunities for sale by any such method as the terms of this bill provide is little short of confiscation. Not to pass the amendment proposed seems to me would plainly be unfair to people who have property and who may wish to dispose of it in good faith.

Mr. KENYON. Mr. President, the Senator from Minnesota [Mr. KELLOGG] has referred to section 13. The genesis of that section was this: It was represented to the committee that a great many owners of large properties in Washington occupy them for a month or so and then go away for the remainder of the year. In one instance it was stated that an owner refused to rent a magnificent home for less than $50,000 a year. Some of the committee thought that those fine homes would be delightful places for working girls and clerks in the departments, and that when the owners came home it would please them to find these magnificent places occupied. A provision was inserted to cover those cases. I have not any doubt in my own mind, however, that the section is clearly unconstitutional and should be changed in the way the Senator from Minnesota suggests. I think that ought to be done, because we can not take private property for public use without some judicial determination of the value thereof. The section is not well drawn.

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

Mr. KENYON. Yes.

Mr. HARDWICK. Why is not that true about all of this bill?

Mr. KENYON. It is true of any such question.

Mr. HARDWICK. Is not all of the bill equally unconstitutional?

Mr. KENYON. I am going to confine myself to section 13 and not discuss the other features of the bill. I think other sections may be close to the line, but the complete answer that is always given here is that we are in war; these are war times.

Of course, this is a drastic bill. There is not any question about it. When you first read it over, it is shockingly drastic; but the conditions that have arisen in the District are drastic and need drastic remedies.

I want to put a short article in the RECORD as expressing my view of this profiteering situation in Washington. The same situation exists everywhere in this country. People are trying to get rich out of this war, and that is an insidious cancer that is eating away at the vitals of this Republic. It has got to stop, and we might as well begin right here in Washington. The Washington Times a few evenings ago printed a short article on this subject. I want to put it in the RECORD as part of my remarks; and I think I will ask to have it read, because it states the situation so clearly.

The VICE PRESIDENT. In the absence of objection, the Secretary will read as requested.

The Secretary read as follows:

[From the Washington Times of May 3, 1918.]

PRINT THE NAMES AND PICTURES OF PROFITEERS—THEY KEEP A PHOTOGRAPHIC RECORD AT POLICE HEADQUARTERS—WHY NOT ADD TO IT?

[By Earl Godwin.]

Publicity is always pleasing to the person involved until some brave newspaper prints the names and pictures of men involved in nefarious enterprises.

Many well-known men in Washington have swelled with pride when the news columns announced their appointment to this or that committee engaged in one activity or another of benefit to the community.

How would it be if the Government officials printed the names of men who have served "buy the house or move" notices on tenants?

If this kind of business is reputable, would it hurt anyone's feelings or reputation to have his picture printed alongside of a picture of the helpless family he is evicting so that he can take a war-time profit at the expense of some one else who is left helpless?

Personally I believe that parallel to the liberty-loan roll of honor for Washington there should be a roll of profiteers, naming the men who have evicted tenants for war-time profits, as well as those who have put the screws on to the extent of making tenants buy houses at outrageously increased values.

The names of these men should live in memory, like the names of the crooked sutlers who vampired on their fellowmen in the Civil War and the names of the thieves who got rich on embalmed beef in the Spanish War.

A few money-mad men and women are smearing Washington with mud because they have at this moment the opportunity to make a few dirty dollars. To make these dirty dollars they are taking advantage of the most awful war the world has ever known and are backing whole families against a war, pointing a pistol at them, saying:

"You poor fools, there is no other place in the world for you to live, so here is where I get mine, and get it big. You pay me a quadrupled profit on this house or get out into the street."

The Government ought to take war-time steps to prevent this war-time crime.

Mr. McCUMBER. Mr. President, I desire the attention of the Senator in charge of the bill for a moment. I do not know how many amendments have been suggested, and I scarcely know whether they are pending or not; but I wish to suggest another which I hope will be adopted, and that is to section 7. I suggest striking out all of the section after the word "rental" on line 22 and inserting after the word "rental," in lieu thereof these words, "for the furniture in addition to the rental for the real estate," so that the section will read:

SEC. 7. That when the real estate is rented furnished, the rent administrator shall authorize a fair and reasonable rental for the furniture in addition to the rental for the real estate.

Then leave out all of the other portion of the section, which allows the rent administrator to put his O. K. upon a rental contract which adds 100 per cent for the use of the furniture in one instance and 50 per cent for the use of the furniture in the other instance. That would leave it within the discretion of the rent administrator to determine, according to the character of the furniture and its value, what would be a reasonable rental for it. I want to say to the Senator that as it now stands it is an invitation, or at least a suggestion, to the rent administrator that he will have fulfilled the expectations of Congress if he allows a rental for the furniture which does not exceed 100 per cent of what the rental would be for the same room unfurnished.

Let me give again an illustration: I think you will find that the vast majority of these rentals in apartments or in other houses cover from one to two rooms; that is, the most of them probably would be, for a single individual or two individuals, one living room, a kitchenette, a bathroom, and a clothes closet. If there were two rooms, there would be one small room in addition to these that I have mentioned. Probably the rent at the present time for the two rooms would be, say, $40. If that apartment is furnished, however, you would allow the landlord to charge $80 for the same apartment; that is, you would allow the rent to run up as high as $80 and still keep within what we might say was the spirit of the law. To me that is the most excessive character of robbery, if I may describe it as such.

The Senator from Ohio [Mr. POMERENE] but a short time ago instanced the case of one of these landlords giving notice of his intention to furnish all of the rooms and then to rerent them. I am not at all surprised at that. I do not know of anything that gives a more wonderful opportunity for profiteering than the opportunity for a landlord to add 50 per cent or 100 per cent to his rent by merely furnishing his rooms, because there is nothing here to indicate how many pieces of furniture there shall be, the character or the value of the furniture; and if you will go into one of these rooms that is furnished you will find ordinarily that the furniture is of the most meager character, without a picture on the walls to make it pleasant, without one of the hundreds of little things in the matter of cushions or otherwise to go with a sofa to make it comfortable or to look well, but possibly a sleeping couch and one or two chairs and a chiffonier and a few hooks in a closet, and there you stop. That can be furnished very cheaply, indeed.

It does seem to me that the character and value of the furniture ought to be considered in determining what should be a fair rental, and certainly no landlord can complain if you authorize the administrator, in addition to what the property would be worth to rent unfurnished, to fix a price which would be reasonable and just and fair for the furniture that he may put in. Then if expensive furniture is put in the apartment, he will pay less for it, and in the case of this very meager furniture, which I declare can be bought in almost any of these apartments for $60, he would not be allowed to charge $480 a year in one instance or $240 a year in another instance in addition to the rent of the apartment unfurnished, merely because he has it furnished; and, having it furnished, of course, he will not rent it in any way except furnished.

We ought to leave no loophole open whereby these profiteers can find a method of still following their inclination to take advantage of those who must have a roof to sleep under, at least. I hope the Senator will agree with me and that he may allow an amendment that will base the rental for the furniture upon the value or character of that furniture, leaving it in some form so that the party selected as administrator may pass his judgment upon the additional value that has accrued by reason of the furnishings.

Mr. SAULSBURY. Mr. President, at the suggestion of the Senator from Ohio [Mr. POMERENE], I want to say to the Senator from North Dakota that there is no special objection on the part of the committee or any member of it to putting such a provision as that in the bill, except this reason, which I think is one that will appeal to the Senator from North Dakota:

Under the suggested provision of the Senator from North Dakota a multitude of cases will be poured in on this rent administrator for adjudication which will not come in if the provision is left as it now is, although he can make corrections

when particularly appealed to. I want to call the attention of the Senator from North Dakota to the fact that under the amendment which he suggests, in principle, the rents in some cases will very much exceed 100 per cent where they would now only think of charging double the rent for the real estate. As a matter of simplification, the limitation on the rent for the furnishings to 100 per cent in cases where the apartments are now rented and to 50 per cent later on is a very great limitation on the amount.

Mr. McCUMBER. Mr. President, will the Senator allow me to make a suggestion right here?

Mr. SAULSBURY. Surely.

Mr. McCUMBER. Where the Senator would find one case where the furniture would justly add 100 per cent to the rental value, he would find 500 cases where it ought not to add 30 per cent to the rental value; and therefore we ought not to suggest to the administrator that he can allow 50 per cent or can allow 100 per cent, even though the furniture should not add over 25 per cent.

Mr. SAULSBURY. I think the Senator is entirely right when he says there will be 500 cases where it will not come up to that to one where it will come up to that. For the most part, I think the furnished apartments in Washington, as far as I have seen them, when a person goes into them look like a bride's parlor, as we say in our part of the country. The furniture is rather scanty, because the wedding presents have not been sufficient to furnish the whole house; so that we would describe a Washington apartment as looking like a bride's parlor. I think that is the case.

Mr. McCUMBER. If I may be permitted again by the Senator, most of these apartments that I have seen are so decidedly small that you could not get very much furniture into them. It would have to be of an excessively high value to run over $60 or $70.

Mr. SAULSBURY. There is another suggestion, too, that all of that leads to the simple life, which is something that we want to encourage at this time. If the Senator will prepare such an amendment as he suggests I think the chairman of the subcommittee in charge of the bill would accept it; but, personally, I rather think the bill is in better shape as it is now. That is my opinion.

Mr. McCUMBER. I have prepared it. I stated what it would be. Shall I state it again?

Mr. SAULSBURY. Personally, I did not hear what the Senator said.

Mr. McCUMBER. I will state it again, if the Senator will take his bill.

On page 13, section 7, line 22, I suggest striking out all after the first word in that line—"rental"—down to and including line 6 on page 14, and to insert these words after "rental," "for the furniture in addition to the rental for the real estate," so that it will read:

SEC. 7. That when the real estate is rented furnished, the rent administrator shall authorize a fair and reasonable rental for the furniture in addition to the rental for the real estate.

Mr. SAULSBURY. As I said, Mr. President, I think the present form is preferable to the form as it would be with the amendment of the Senator from North Dakota. I suggest that we take a vote of the Senators here present and let them determine it. I should vote against making the amendment, but since the Senator feels as he does about it, I have not any complaint to make of the provision as it would then stand, although I think it is better as it is.

Mr. McCUMBER. Let me call attention to the fact that under the bill as it now stands there is an invitation or at least a suggestion to the rent administrator that he will have complied with the spirit of this law if he allows not more than 100 per cent additional rental for the room in one instance, and not more than 50 per cent additional for the rental of the room if it happens to be a furnished room, no matter how meagerly or how cheaply furnished. Now, that is unjust. It will operate unjustly. It gives a splendid opportunity for the landlord to do what was done in the case that the Senator from Ohio suggested, where he notified his lessees that he was going to furnish his rooms, and then charge them extra because of the furniture. I do not think he did that until after this bill had been suggested, and he saw the wonderful opportunity of getting 100 per cent on his rental where he would not be entitled to more than 10 per cent according to the value of the furniture; and if we allow the rent administrator to exercise his discretion, and say that it shall be just and reasonable, there will be no difficulty. Why? Because ordinarily the furniture in an apartment will be practically the same in all the rooms of a certain class, and a report will be made of them, and he can easily tell how much the additional charge should be.

Mr. SAULSBURY. Mr. President——

Mr. SMITH of Georgia rose.

Mr. SAULSBURY. I will yield to the Senator in just a moment.

Mr. SMITH of Georgia. I was only going to ask the Senator, in his reply, to call attention to the limitations contained in the bill.

Mr. SAULSBURY. Precisely. I can not agree to the logic of the Senator from North Dakota. The wording of the authorization to the rent administrator here is that he shall allow a fair and reasonable rate, including furniture.

Mr. McCUMBER. Not exceeding so much.

Mr. SAULSBURY. And the limitation is on the ability of the administrator to increase the rental of the furniture beyond, in the one case, the rent which is paid for the real estate, and in future cases to half that amount. It seems to me that every matter of this kind depends upon the fairness of the rent administrator. If you take all limitations off the rent administrator, certainly you give an unfair rent administrator a much wider latitude. He will not place the rent of the furniture at a maximum of 100 per cent of the rent of the real estate, and less than that in some cases, if he has no limit at all. In this bill we place a limit on the ability of the rent administrator to allow rent for the furnishings, and that is certainly better than giving him an unbridled license to allow whatever he sees fit, in his discretion. I think so, at least.

Mr. McCUMBER. I want to ask the Senator if he can recall an instance in which any law of Congress has allowed a salary or has allowed a charge for rental not to exceed a certain amount where that limit has not always been given? That is taken to be the expression of Congress as to its view of what is just and proper. I think it is certain that they will run up to the 100 per cent in almost every instance; whereas if you limit it to what is simply just and reasonable, if the furniture that is furnished is worth more than 100 per cent of the rent of the apartment itself, he ought to pay more than 100 per cent.

Mr. SMITH of Georgia. What does the Senator think of making a limitation based upon the value of the furniture?

Mr. McCUMBER. That is what I am making.

Mr. SMITH of Georgia. I mean, to put in some definite figure, not to exceed such a per cent of the value of the furniture.

Mr. McCUMBER. If I should say that, I would say not to exceed 50 per cent of the value of the furniture, so that two years' rent would pay for the furniture.

Mr. SMITH of Georgia. I suggest that it be 25 per cent.

Mr. McCUMBER. Yes; I think 25 per cent would be enough.

Mr. SMITH of Georgia. Twenty-five per cent of the value of the property would be just as much as ought to be allowed, and I do not think over 50 per cent in any event.

E. B. STAHLMAN, OF NASHVILLE, TENN.

Mr. McKELLAR. Mr. President, I am informed that there will not be a vote on this rent bill this afternoon, and I desire to make a brief statement on another subject.

On last Friday the Senator from Illinois [Mr. SHERMAN], in a speech that was delivered here, spoke of the dismissal of an assistant United States district attorney at Nashville, Tenn., by the Attorney General of the United States and, in substance, stated that the assistant district attorney had been dismissed because of his activity in looking out for aliens and ferreting out those who ought to be punished under the alien law, and especially because of his attitude toward Maj. E. B. Stahlman.

The next morning an article appeared in the Nashville Tennessean and American, from which I read this excerpt:

While Senator SHERMAN was making his speech, E. B. Stahlman, the Nashville publisher, was in the gallery, and he at once got in touch with Senators SHIELDS and MCKELLAR and began a counterattack. Neither of the Tennessee Senators spoke personally in behalf of the Nashville publisher, but at their instance Senator WALSH interrupted Senator SHERMAN to say that his information was that Campen was removed because "he had not been sufficiently vigorous in prosecutions under the espionage act and under other acts connected with the war."

When asked where he secured this statement of the reason for Campen's removal, Senator WALSH stated that he had been told these reasons were assigned by Attorney General Gregory in the public press. He also stated that he had discussed the case with Senator MCKELLAR.

In the first place, Mr. President, I desire to say that that statement is substantially wholly untrue. I doubt if, other than the names connected with it, there is the substance of truth in it, or in any part of it, in so far as it refers to me.

It is not only untrue, but the whole article and proceeding is an attack by a so-called Democratic newspaper on a Democratic Attorney General and a Democratic administration.

I wish to say at the outset that I do not mean to criticize in the least the distinguished Senator from Illinois [Mr. SHERMAN] for having brought the dismissal of Mr. Campen to the attention of the Senate. In my humble judgment, Senator SHERMAN was simply misled about the facts. He was given the alleged

facts by some designing persons, whose names I need not now refer to. I desire, very briefly, to state what the real facts were.

For a number of years in Nashville, Tenn., there has been what is known as a newspaper war between the Nashville Tennesean and American, owned by former Senator Luke Lea, now Col. Lea, of the Army, and the Nashville Banner, owned by Maj. E. B. Stahlman. Mr. Marven Campen was an assistant district attorney in the Nashville district, and, generally speaking, he is allied with the Tennessean side of that newspaper controversy. He was for a while Senator Lea's private secretary, belongs to what was formerly known as the Lea faction in Tennessee politics, is personally a very decent fellow, and was probably misled by self-seeking politicians to adopt the very misguided, uncalled-for, and disloyal attitude toward his chief, Attorney General Gregory, as will hereafter be more fully pointed out.

On December 3 he, or his immediate chief, Mr. Douglas, wrote a letter to Attorney General Gregory, stating in substance that Maj. Stahlman was born in Germany and had never been naturalized, and asking the Attorney General for an opinion as to Maj. Stahlman's status. On the 17th of December the Attorney General replied to District Attorney Douglas that under that state of facts Maj. Stahlman was an alien and would have to be registered under the alien act. Maj. Stahlman learned something of this movement by the district attorney's office and shortly after that, I believe on January 25, presented to the Attorney General, through Senator SHIELDS, his papers and court records, which were substantially these:

He had come to this country with his father and mother when a boy about 10 years old, as I recall his age—a very tender age, at any rate. When he was about 11 years old his father died. His father was a German subject. His mother was a German subject. His father had applied for naturalization papers, as I recall, but they had never been perfected at the time of his death. Not long—perhaps about a year or a little more—after the death of Frederick Stahlman, the father of Maj. Stahlman, his mother married a second time. She married a Mr. Lewis Harnish, also a German subject. I think this was about 1854 or 1855. Mr. Harnish applied for citizenship and secured it. By a court decree he became in 1856 a duly legalized naturalized American citizen. Under the terms of the statute then existing, and still existing I believe, that naturalized all of the minor step-children of Mr. Harnish, including Maj. Stahlman. It is perfectly plain. There is no doubt about it. There can not be any possible answer to that proposition. As I stated, on the 25th day of January my colleague [Mr. SHIELDS] presented to the Attorney General certified copies of the court decrees and various other evidences of the fact, and thereupon the Attorney General wrote to my colleague [Mr. SHIELDS] this letter:

JANUARY 25, 1918.

Hon. JOHN KNIGHT SHIELDS,
United States Senate, Washington, D. C.

MY DEAR SENATOR SHIELDS: I have carefully considered the documents submitted by you in respect to the citizenship of Edward B. Stahlman, of Nashville, Tenn., and the necessity of his registering as a German alien enemy.

From these documents it appears that Edward B. Stahlman was born in Mecklenburg, Germany, September 2, 1844, the son of Frederick Stahlman and Christiana Stahlman (born Christiana Lange), German subjects, who were married in Mecklenburg, Germany, in the year 1834; that he was brought to the United States in October, 1853, by his father and mother, who settled in Doddridge County, Va.; that his father, Frederick Stahlman, died in the United States in January, 1855; that his mother, Christiana Stahlman, after the death of her husband, Frederick Stahlman, and in December, 1855, was married in the United States to Mr. Lewis Harnish, then a German alien; that on October 20, 1856, Lewis Harnish completed his naturalization as an American citizen and was, by the circuit court of Doddridge County, Va. (now West Virginia), duly admitted a citizen of the United States of America; that at the time of the naturalization and admission of Lewis Harnish, stepfather of Edward B. Stahlman, as an American citizen, the mother of Edward B. Stahlman was (so far as appears) living in the United States, and her son, Edward B. Stahlman, was a minor of the age of 12 years, then permanently residing or dwelling within the United States; that Edward B. Stahlman has since continued to reside permanently in the United States; and that he has not expatriated himself.

If the facts be as stated, Mr. Edward B. Stahlman became naturalized as an American citizen on October 20, 1856, by the naturalization on that date of his stepfather, and is not required to register in the forthcoming registration of German alien enemies. His subsequent filing of a declaration of intention to become a citizen of the United States is to be regarded merely as cumulative evidence of election of United States citizenship, as he was already a citizen of the United States by the naturalization of his stepfather, and was none the less so because he may, at the time of filing his declaration of intention, have entertained unfounded doubts on the subject.

Respectfully,

T. W. GREGORY, *Attorney General.*

Mind you, before that, upon the state of facts that had been submitted by District Attorney Douglas, or his assistant, Mr. Campen, the Attorney General had stated if those facts were true, that is to say, if Maj. Stahlman was born in Germany and had never been naturalized, he was a German subject; but upon this state of facts presented by Senator SHIELDS upon the proof submitted, the Attorney General notified the district attorney at Nashville on the 25th day of January that Maj. Stahlman was a naturalized citizen under the conditions that I have just now recited. That letter was written on January 25, and was mailed on the 26th day of January. It should have been in Nashville on the 28th day of January, but on the 29th day of January the Nashville Tennesseean and American, a rival newspaper that I spoke of, had in headlines on the front page an article like this:

E. B. Stahlman is declared to be an alien enemy.

And under a purported dispatch from Washington it said this:

It has been ascertained that the Department of Justice has apprised Government officials at Nashville that the status of E. B. Stahlman, of that city, is that of an alien enemy. It is understood this information was given preparatory to the registration of alien enemies, which begins within the next few days.

Thereupon this was added as a local statement:

In the absence of United States District Attorney Lee Douglas, who is away on his vacation, his assistant, Marven Campen, was informed of the above dispatch, and when questioned with regard thereto said: If Maj. Stahlman's status as an alien enemy is a secret, I have not been made aware of it. According to a communication in our files from the Department of Justice Maj. Stahlman is an alien enemy within the meaning of the phrase in the statute. This office did not consider Maj. Stahlman's status an item of news and has sought no opportunity to publish the fact. Now that it comes from Washington as an item of news, and since the Department of Justice at Washington is fully aware of his status, I see no impropriety in making this statement.

Then he adds this, and I regret that the Senator from Illinois [Mr. SHERMAN] is not in the Chamber, because I wanted to call his attention to this significant statement by the assistant district attorney:

This office is not unmindful of the further fact that no newspaper in the United States has been more patriotic and loyal in its utterances since the declaration of war than Maj. Stahlman's paper, the Nashville Banner.

The assistant district attorney acting in the matter, the district attorney being away on vacation as stated, claimed that he did not receive that letter of the Attorney General inclosing the letter to Senator SHIELDS until the 30th, the day after the foregoing article was published in the Tennesseean and about two days after the letter ought to have been in Nashville. Thereupon Mr. Campen finds a conflict between the Attorney General's direction to him and the statement made in the Nashville Tennesseean and American above quoted, and he sends this telegram to the Attorney General:

Refer your A. B. 188961-1 A. B.-M. R. December 17, 1917—

Evidently referring to the letter of December 17—

and your J. L. O'B-A. H. C.—

Evidently referring to the later letter—

January 25, 1918. Dispatch from Washington dated as of 29th appears in morning paper here states E. B. Stahlman is alien enemy. In view of apparent conflict, please advise E. B. Stahlman's real status.

DOUGLAS,
United States Attorney.

In other words, the Tennesseean and American—think of it, Mr. President—a local paper, had published a statement about the matter that was in conflict with the Attorney General's instructions to the district attorney, and the assistant district attorney, in the absence of the district attorney, assumed the rôle of critic and wired the Attorney General of the United States to explain his position! I am not surprised that the Attorney General sent this telegram on January 30, the same day. If he had wired an instant dismissal of the author of the telegram, he would have been clearly within his right, but he contented himself with only a reprimand. I read:

JANUARY 30, 1918.

LEE DOUGLAS, United States Attorney,
Nashville, Tenn.:

Your wire 30th received. My letter to you 25th with inclosed copy of letter to Senator SHIELDS of same date perfectly clear. Since then have qualified this letter in no way. This department sent you no wire on 29th in regard to Stahlman, nor did it send any such wire to any other person, nor did it make any announcement qualifying letter written to you on 25th. Manufactured newspaper articles do not alter my instructions to you. Fail to understand why you should have sent me wire 30th. Write fully and explain.

T. W. GREGORY, *Attorney General.*

I think Mr. Campen was exceedingly fortunate that the Attorney General of the United States had not sent him a wire dismissing him that very day, but a day or two later Mr. Campen sent a letter in apparent explanation, but merely setting forth the telegrams and then sent this, giving this as a reason. I ask unanimous consent to put the letter in the RECORD. I am not going to read it, but I am just going to read the last paragraph of it:

On account of the prominence—

This was after quoting the various telegrams—

On account of the prominence of Maj. Stahlman, many citizens, and more especially Maj. Stahlman's friends, inquired at this office with regard to the dispatch in the morning paper, and, in justice to Maj. Stahlman, I felt it my duty to wire you.

Respectfully (for and in the absence of the United States attorney),

MARVEN CAMPEN,
Assistant United States Attorney.

Later on Mr. Campen sent a long letter to the Attorney General virtually advising him that he was wrong in his contention and giving a lot of stuff about contentions down there between these rival newspapers and saying that he sent this letter not as assistant district attorney but as a private individual. Naturally, the United States Attorney General felt that he could not stand that kind of conduct any longer in the assistant district attorney and discharged him.

Mr. President, I wish to say this for the Attorney General. He acted in a perfectly proper way in the discharge of Mr. Campen. I do not see how he could have done anything else and maintain his self-respect. Mr. Campen had sent him that telegram demanding to know his position because of the article he had seen in the newspaper—virtually demanding to know whether the Attorney General was right in his judgment in the matter. He afterwards, in a subsequent communication, disagreed with him about the law and facts of the case and virtually asked him to reverse his decision, and, as I recall it, said something about it making no difference whether he lost his place or not. The last communication was virtually a challenge to the Attorney General to discharge him, and thereupon he was discharged; and I for one say that the Attorney General did exactly right in making that dismissal upon that state of facts. I do not see how he could have done anything else.

I can add this further, that Maj. Stahlman never mentioned the name of Mr. Campen directly or indirectly to the Attorney General and never wrote to him about the matter; that neither Senator SHIELDS nor myself have at any time spoken to the Attorney General about Mr. Campen until after he had been removed, and, so far as I am concerned, the first time I ever knew it was when I saw the statement in the newspapers or heard it on the street. The Attorney General never consulted with either Senator SHIELDS or myself about the matter before he acted. His reasons for discharging Mr. Campen were certainly ample, and he is to be commended for it rather than to be criticized. I am sure if my friend the Senator from Illinois had had all these facts before him, he would not have presented this matter to the Senate, for he is a fair man. These statements were made to Senator SHERMAN in the interest of the discharged officer, and I am sure Senator SHERMAN would have disregarded them if he had not simply been misled, and accordingly his criticism of the Attorney General would not have been made.

Mr. President, it appears from the RECORD that Senator WALSH asked some questions of the Senator from Illinois. It appears in this newspaper account which I have just read that I got Senator WALSH to represent me in asking questions of Senator SHERMAN. Mr. President, there is no man in the Senate for whose attainments I have greater respect than I have for those of the distinguished Senator from Montana [Mr. WALSH]. He is one of the ablest men in this body and is my friend, but I have never yet felt called upon to have other Senators represent me in this body. I may speak for myself very much worse than it ought to be done, but up to date I have never felt the necessity of calling on others to represent me when I had something to say or questions to ask, and I think I can safely say in the presence of the Senator from Montana that I made no such request of him; that I never knew anything about the matter until after it happened, when he very kindly told me what had occurred during my temporary absence.

As a matter of fact, on that afternoon, the Senate being devoted to business with which I was not directly concerned, I was in the Post Office Committee in the active performance of my duties on that committee and therefore I did not hear it. I understand that Senator SHIELDS was in the Judiciary Committee at work on the administration bill that he had passed here to-day and he did not hear it. The first I knew about the matter or ever dreamed of such a matter was when Senator WALSH called my attention to it upon my return to the Chamber, as I now recall. I called Senator SHIELDS's attention to it that night at supper at the Continental Hotel. These are the facts.

So the article is manufactured out of the whole cloth, and I content myself with saying nothing further about it. It is not the first time that this representative of the Tennessean and American has untruthfully assailed me here from the press gallery in his articles to the Tennessean and other papers. I do not know what the rules of the Senate are about this matter. I do not know whether it is proper for a man in the newspaper fraternity to write falsehoods about a Senator and still remain in the press gallery of the Senate or not. This is the second time I have had to call attention publicly to the malicious and vindictive falsehoods that have been written about me by this representative of the Tennessean and American from his place in the press gallery. My understanding is that members in that gallery are permitted there through the courtesy of the Senate. So long as they write the truth, no Senator can complain, but when a man using those privileges so far forgets himself as to write repeated falsehoods about a Senator, as a matter of simple justice to the Senator those privileges should be withdrawn from the offending writer.

Now, I come to the next question of Maj. Stahlman's loyalty, about which the distinguished Senator from Illinois had something to say the other day. I take Mr. Campen's own statement before the question arose. He said:

This office is not unmindful of the further fact that no newspaper in the United States has been more patriotic and loyal in its utterances since the declaration of war than Maj. Stahlman's paper, the Nashville Banner.

That is not all. On the very day that war was declared Maj. Stahlman, who prior to that time, as I recall it, was opposed to the war, announced in large headlines on the front page of his paper that he wanted every man of military age working for that paper to enlist in the Army, and he made the additional statement that the Banner would pay to everyone who went into the Army from his paper's force one-half of his wages for the benefit of his family all the time he was there. He is carrying out that promise to-day.

Is that loyalty? I wish to Heaven that other owners of newspapers and other men had that kind of loyalty. I wonder if the owner of his rival newspaper down there is doing as much for his employees who have gone into the Army? I say a man with a record of that kind ought not to be assailed in this body or anywhere else in the defamatory way that Maj. Stahlman has been assailed. Maj. Stahlman has lived 53 years of his life in Nashville. He has been and is a successful man of affairs there. He owns large interests there. He is one of our most useful and distinguished citizens. He owns one of the best newspapers in the State. He is fearless and able. He is patriotic to a degree. Every dollar he owns is in this country. He has children and grandchildren here. That he should be hounded as he has been for years by this rival newspaper and those who follow it and fawn upon it and who expect its political aid and support is an outrage and a shame.

Mr. President, since the publication of this article I have received a letter indicating, in the opinion of the writer, that it was not my duty to make a statement about this matter. I want to say that I do not so conceive my duty. A citizen of my State has been assailed here in this Senate, first as being an alien enemy and next as being disloyal. The facts within my knowledge show he is neither. I do not care whether it is Maj. Stahlman or any other citizen of my State; I do not care whether he is a Democrat or a Republican, under similar circumstances; I do not care whether he is white or black, under those circumstances. When I know that such criticism is unwarranted and untrue I will stand by him, whether he be high or whether he be low, whether he be rich or whether he be poor. I represent all the people of my State, in part, and as long as I am here I want the truth to be known and the facts to come out.

Mr. President, I think I have said about all that I want to say. There are several other letters and several short communications and articles here that I ask the unanimous consent of the Senate to insert as a part of my remarks in the RECORD in order that the facts may be shown just as they are. I ask unanimous consent to insert them in the RECORD.

The PRESIDING OFFICER (Mr. THOMAS in the chair). If there is no objection, it will be so ordered. The Chair hears none.

The matter referred to is as follows:

NASHVILLE, TENN., *January 30, 1918.*

The ATTORNEY GENERAL, *Washington, D. C.:*

Refer your A. B. 188961-1 A. B.-M. R. December 17, 1917, and your J. L. O'B.-A. H. C. January 25, 1918, dispatch from Washington, dated as of 29th, appears in morning papers here states E. B. Stahlman is alien enemy in view of apparent conflict. Please advise E. B. Stahlman's real status.

DOUGLAS,
United States Attorney.

NASHVILLE, *January 31, 1918.*

The ATTORNEY GENERAL, *Washington, D. C.*

SIR: Re naturalization of Maj. E. B. Stahlman, Nashville, Tenn.

I have the honor to acknowledge receipt of your telegram of the 30th instant, as follows:

"Your wire of the 30th received. My letter to you of the 25th, with inclosed copy of letter to Senator SHIELDS of same date, perfectly clear.

Since then have qualified this letter in no way. This department sent you no wire on the 29th in regard to Stahlman, nor did it send any such wire to any other person, nor did it make any announcement qualifying letter written to you on 25th. Manufactured newspaper articles do not alter my instructions to you. Fail to understand why you should have sent me wire of the 30th. Write and explain."

In reply, I beg to advise that on the morning of January 30 the following appeared in the Nashville Tennessean and American:

"WASHINGTON, D. C., *January 29 (Special)*.

"It has been ascertained that the Department of Justice has apprised Government officials at Nashville that the status of E. B. Stahlman, of that city, is that of an alien enemy. It is understood this information was given preparatory to the registration of alien enemies, which begins within the next few days."

Also, on the morning of January 30, after the morning paper was on the streets of Nashville, your letter of January 25, with inclosed copy of letter to Senator SHIELDS of same date, came to my office, the concluding paragraph of which is as follows:

"This letter is written to call your attention to the fact that the opinion stated in the inclosed letter is based on facts which were not before this department at the time of the letter written you December 17."

On account of the prominence of Maj. Stahlman, many citizens, and more especially Maj. Stahlman's friends, inquired at this office with regard to the dispatch in the morning paper, and, in justice to Maj. Stahlman, I felt it my duty to wire you.

Respectfully (for and in the absence of the United States attorney),

MARVIN CAMPEN,
Assistant United States Attorney.

—

JANUARY 30, 1918.

LEE DOUGLAS, United States Attorney,
Nashville, Tenn.:

Your wire, 30th, received. My letter to you, 25th, with inclosed copy of letter to Senator SHIELDS of same date perfectly clear. Since then have qualified this letter in no way. This department sent you no wire on 29th in regard to Stahlman, nor did it send any such wire to any other person, nor did it make any announcement qualifying letter written to you on 25th. Manufactured newspaper articles do not alter my instructions to you. Fail to understand why you should have sent me wire 30th. Write fully and explain.

T. W. GREGORY,
Attorney General.

—

NASHVILLE, TENN., *March 16, 1918.*

The ATTORNEY GENERAL,
Washington, D. C.

SIR: I appeal to you as the head of the Department of Justice to afford me an opportunity to be heard in person on the charges, unknown to me, which caused my summary removal as assistant United States attorney for the middle district of Tennessee on the 14th instant—without notice—on the broad and indefinite ground of "for the good of the service." I have endeavored to be scrupulously diligent during my incumbency of nearly two years to take care of the duties of the office, having only in mind "the good of the service," as an examination of my record will disclose.

I am eager to face my accusers, whoever they may be, or to answer truly all questions you may ask me. It looks very much like some one has tried to steal my good name, which, according to the proverb, can not profit them but makes me poor, indeed.

I believe you will agree with me that my previous good record in public and private life entitles me to at least a hearing before my family and myself are finally subjected to the humiliation incident to the summary action taken.

I do not want to be reinstated, but desire, if, after a hearing, the merits of the case warrant it, a modification of the order of removal to the extent that the sting of dishonor may no longer attach to it.

I am confident that a man of your exalted station would not knowingly permit an injustice to the humblest citizen.

I can leave for Washington any day.

Respectfully,

MARVIN CAMPEN.

—

MARCH 22, 1918.

Mr. MARVIN CAMPEN, Attorney,
Nashville, Tenn.

SIR: I acknowledge receipt of yours of the 16th.

On January 25 this department wrote a letter to United States District Attorney Douglas, at Nashville, inclosing a copy of a letter of same date written by the Attorney General to Senator SHIELDS. These letters stated that certain facts had been presented to this department in regard to the status of Maj. Edward B. Stahlman, and that if the statement of these facts was true Maj. Stahlman was a naturalized American citizen.

In the absence of District Attorney Douglas, and while you were acting in his place, you sent me a wire in his name, on January 30, stating that in a Nashville morning paper of the 29th there appeared a statement to the effect that Maj. Stahlman was an alien enemy. You stated that, in view of the apparent conflict between the department's letter to Douglas and the newspaper article, you wished me to advise you as to Maj. Stahlman's real status. Subsequently, on February 20, you wrote me quite a lengthy letter in regard to the Stahlman case.

I have not the slightest interest in the bitter political controversy prevailing in Nashville. The duty of the employees of this department is to enforce the laws of the United States and, in doing so, to refrain from engaging in controversies of the character referred to. When they permit themselves to become so involved, especially when they become bitter and resentful, they thereby impair their usefulness, reflect upon the administration of the law by this department, and violate its policies.

The wire you sent me on January 30 was entirely improper, as the opinions and instructions of this department are not varied by newspaper articles; and it is hard to conceive of how you could have properly viewed any newspaper publication as creating a conflict which it was necessary for the Attorney General to explain. This proceeding on your part was followed by your letter of February 20, which is so intemperate in its tone and expressions, so indicative of a partisan attitude on your part toward the political controversy referred to, so abounds in expressions of personal ill will, and is so absolutely lacking in that impartiality and dignity which must characterize the office of a United States district attorney, that I sent you a wire stating that for the good of the service you were removed from the position which you then held.

You, of course, have copies of your wire of January 30 and your letter of February 20, and I therefore see nothing to be accomplished by discussing their contents. There is no need of a hearing, as you admit being the author of the wire and letter referred to. These documents fully justify the action taken, and for that reason I do not consider it necessary to discuss other acts of yours of which I distinctly disapprove.

Very truly, yours,

T. W. GREGORY,
Attorney General.

—

JANUARY 25, 1918.

LEE DOUGLAS, Esq., United States Attorney,
Nashville, Tenn.

SIR: Based on the facts stated in your letter of December 3, this department wrote you, under date of December 17, to the effect that Maj. Stahlman, of Nashville, was an alien enemy within the statute.

As you will observe from the inclosed copy of letter addressed this day by the Attorney General to Senator SHIELDS, Maj. Stahlman became a naturalized American citizen by reason of the naturalization of his stepfather in 1856.

This letter is written to call your attention to the fact that the opinion stated in the inclosed letter is based on facts which were not before this department at the time of the letter written you December 17.

Respectfully (for the Attorney General),

(Signed) JOHN LORD O'BRIAN,
Special Assistant to Attorney General.

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[From the Nashville American.]

WALSH SPOKE FOR SHIELDS—INTERRUPTED SHERMAN'S ATTACK ON STAHLMAN FOR SENATOR.

(By John D. Erwin.)

WASHINGTON, D. C., *May 4.*

The removal of Marven Campen as assistant district attorney at Nashville was brought up on the floor of the Senate Friday afternoon during the debate on the espionage bill.

Senator SHERMAN of Illinois made reference to the case as an evidence that the Department of Justice is not dealing with an impartial hand in the prosecution of persons who have the status of alien enemies, or who are suspected of disloyalty.

After alluding to the fact that Campen was removed apparently for the reason that he was too vigorous in investigating the cases of this kind, particularly the case of E. B. Stahlman, the Nashville publisher, the Illinois Senator made the following statement concerning the Nashville Banner:

"No prosecution has ever been had of the publisher of this newspaper. No prosecution will be had. The evidence would tend to show that he is an alien; that his utterances previous to the declaration of war were friendly to the nations now at war with the United States. Because of this investigation by the assistant district attorney, I think the proof before me shows that he was removed upon the demand of the newspaper publisher, Mr. Stahlman. I only allude to this not for any purpose at this time of doing more than serving a purpose in pointing the moral and adorning the tale of prosecutions in the United States. If it should be proper at some future occasion when the issue is raised it probably will be examined in due form and hearings had if the Senate should regard it as worthy of that investigation."

Senator SHERMAN made a vigorous onslaught on the Attorney General's administration of the laws affecting alien enemies.

While Senator SHERMAN was making his speech E. B. Stahlman, the Nashville publisher, was in the gallery, and he at once got in touch with Senators SHIELDS and MCKELLAR and began a counterattack. Neither of the Tennessee Senators spoke personally in behalf of the Nashville publisher, but at their instance Senator WALSH interrupted Senator SHERMAN to say that his information was that Campen was removed because "he had not been sufficiently vigorous in prosecutions under the espionage act and other acts connected with the war."

When asked where he secured this statement of the reason for Campen's removal, Senator WALSH stated that he had been told these reasons were assigned by Gen. Gregory in the public press. He also stated that he had discussed the case with Senator MCKELLAR.

In reply to Senator WALSH'S statement, Senator SHERMAN suggested that the circumstances connected with this case should be investigated by the Senate Judiciary Committee.

The result of bringing up of this case in the Senate will probably be a senatorial investigation and an airing of all the facts in the matter.

Senator SHERMAN made the point that apparently influential German citizens with political prestige and wealth have more influence in these matters than the officials of the Government who are expected to administer the laws.

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CITIZENSHIP OF E. B. STAHLMAN.

[The following articles are taken from the Tennessean and American, Nashville Banner, and also reprints from the various newspapers throughout Tennessee relative to the attack by the Tennessean and American on the citizenship of Maj. E. B. Stahlman. The articles are arranged chronologically and the papers from which they were taken are listed:]

[From the Tennessean and American, Jan. 30, 1918.]

E. B. STAHLMAN IS DECLARED TO BE AN ALIEN ENEMY—STATUS OF LOCAL PUBLISHER ESTABLISHED BY UNITED STATES DEPARTMENT OF JUSTICE.

WASHINGTON, D. C., *January 29.*

It has been ascertained that the Department of Justice has apprised Government officials at Nashville that the status of E. B. Stahlman, of that city, is that of an alien enemy. It is understood this information was given preparatory to the registration of alien enemies, which begins within the next few days.

—

In the absence of United States District Attorney Lee Douglas, who is away on his vacation, his assistant, Marvin Campen, was informed of the above dispatch, and when questioned with regard thereto, said:

"If Maj. Stahlman's status as an alien enemy is a secret, I have not been made aware of it. According to a communication in our files from the Department of Justice, Maj. Stahlman is an alien enemy within the meaning of the phrase in the statute. This office did not consider Maj. Stahlman's status an item of news and has sought no opportunity to

publish the fact. Now, that it comes from Washington as an item of news and since the Department of Justice at Washington is fully aware of his status, I see no impropriety in making this statement.

"This office is not unmindful of the further fact that no newspaper in the United States has been more patriotic and loyal in its utterances, since the declaration of war, than Maj. Stahlman's paper, the Nashville Banner."

—

[From the Nashville Banner, Jan. 30, 1918.]

MAJ. STAHLMAN IS A CITIZEN.

The article published in the Tennessean and American of this morning stating that Maj E. B. Stahlman is an alien enemy is absolutely false. Maj. Stahlman became a naturalized citizen of the United States on the 20th day of October, 1856, when he was only 12 years of age, through the naturalization of his stepfather.

Mr. Campen, assistant district attorney, has furnished the Banner the copy of a letter from the Attorney General's office in Washington under date of January 25, 1918, stating that the department has been furnished evidence to show that Maj. Stahlman "became a naturalized American citizen by reason of the naturalization of his stepfather in 1856."

Mr. Campen claims he had not received this letter when he gave out the statement published in the Tennessean and American of this morning alleging that Maj. Stahlman was an alien enemy.

Maj. Stahlman has all documentary evidence in his possession and may have occasion to speak on this subject, making clear the attempt to embarrass and injure him.

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[From the Tennessean and American, January 31, 1918.]

STEPFATHER OF E. B. STAHLMAN NATURALIZED—ON BASIS OF THIS CLAIM OWNER OF THE NASHVILLE BANNER IS RECLASSIFIED.

Relative to a news story appearing in the Tennessean and American of Wednesday with regard to the citizenship of E. B. Stahlman, a local publisher, Marvin Campen, assistant United States district attorney, Wednesday gave out the following statement:

"This morning this office received a letter from the Department of Justice at Washington, which was signed by the same official who for the department had previously advised this office that the status of 'Maj. Stahlman was that of an alien enemy within the meaning of that phrase in the statute.' The letter received to-day from the department states among other things that 'Maj. Stahlman became a naturalized American citizen by reason of the naturalization of his stepfather in 1856' and that this latter opinion was based upon facts which were not before the department at the time of the former opinion."

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[Reprints from Tennessee newspapers in Banner, Jan. 31.]

WHAT TENNESSEE PAPERS SAY.

LUKE LEA.

It will be a blessing to Tennessee when Luke Lea, colonel in the National Guard by the generosity and bad judgment of Tom Rye, pitches his tent in France and finds himself where he can no longer be a disturbing factor in Tennessee politics. Thus far his official duties have interfered in no way with his personal and selfish designs. Maj. E. B. Stahlman earned his eternal ingratitude the day he was instrumental in electing him to the Senate, and he has dogged him ever since with villainous persistence, not only to wreak vengeance upon him personally but to destroy the influence of his newspaper. Maj. Stahlman came to this country a lad of 8 and went to work. His father died, and in a humble home in West Virginia he held the household together, made a living, and eventually prospered. There isn't a more patriotic, honorable, or more generous man in the United States. He reared a large family, and his children and their children are a credit to this country. Maj. Stahlman is now an old man, but he has as many friends as Luke Lea has enemies, and no man could wish for more.—Memphis News-Scimitar.

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MAJ. STAHLMAN IS LOYAL.

It may be possible that technically Maj. E. B. Stahlman is an "alien enemy." It seems that he came to this country as a youth and his parents were never naturalized. Although during a long life he has participated in our politics and has been one of the most public-spirited citizens in the State, his status remains that which his birth and parentage gave him. But whatever Maj. Stahlman may be called under the law, we in Tennessee know him not as an alien or enemy but as one of most loyal and patriotic citizens. We regret, indeed, that such a fact, if it is a fact, has found the light of publicity, and his friends and neighbors will reassure him of their confidence and endeavor in every way to protect him from a humiliation he does not deserve.—Chattanooga News.

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[Reprints from Tennessee newspapers in Banner, Feb. 1.]

WHAT TENNESSEE PAPERS SAY.

[These editorial articles were produced before the libelous misstatement concerning Maj. Stahlman's citizenship had been corrected.]

MAJ. STAHLMAN—CITIZEN.

We do not know who did it, but whoever it was it was a despicable act—reporting Maj. E. B. Stahlman of the Nashville Banner as an alien enemy. Maj. Stahlman was born in Germany, to be sure, and technically he may come under the recent laws enacted with reference to the registration of aliens; but for all that, he is no alien or any other kind of an enemy to the United States. He may have failed to take out all his naturalization papers—if he did it was because he was so much an American citizen that it never occurred to him that it was necessary. We do not remember how long the major has been a citizen of the United States—so long, however, that the memory of most of us runneth not to the contrary. He has been an institution in Tennessee for 40 years to the knowledge of the present writer, and during that time he has never been anything but a loyal American, whatever else he may have been. This newspaper has differed with Maj. Stahlman radically on many questions, especially during the past six or eight years, but it was not because of any pro-Germanism he has displayed. Maj. Stahlman has for the most part during the time of his residence in the United States and his citizenship in Tennessee occupied a high place in the estimation of the political and business communities where he has resided. He has built up a magnificent newspaper property in the Banner and has accumulated other valuable holdings, attesting his patriotic confidence in the country as well as his business sagacity and acumen. If such a thing be possible there should be a popular vocal and written request sent to the President and to the proper authorities at Washington that whatever technical grounds there may be for Maj. Stahlman's registration as an alien enemy, the same be purged and cleared and he be immediately given full and incontestible rights as an American citizen.

One thing the major may be sure of—if they should insist on interning him there will be a whole lot of us who have been quarreling very bitterly with him in a political way who will be delighted to take charge of him and guarantee his good behavior and his patriotic support of the President and the Government until the Kaiser has been licked and the German people are restored to their rights as a free people—for we are sure that is precisely what he would stand for even if he were an alien enemy, which he is not by any manner of means.—Chattanooga Times.

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THE MAJOR AND AMERICA.

About the meanest piece of personal spite we know of has been vented by rival publishers against Maj. Stahlman, proprietor of the Nashville Banner.

It is alleged now that the major is technically an alien enemy.

Here are facts:

Maj. Stahlman came with his father to America when he was a boy 8 or 10 years old. His father took out his first papers and died before the second papers were perfected.

Maj. Stahlman struggled along as a boy and as a young man to support his relatives. He secured an education under the greatest difficulties. Against growing competition he forged his way to the front. He has fought thousands of battles through his paper for better citizenship, for a better Nashville, for a better Tennessee, and for a better America, but he has never fought one single battle against the best interests of America.

We have often differed from the Nashville Banner in politics. We have differed from it in other policies, but we have never doubted the soundness of the devotion to America of its owner.

The chief editor of the Nashville Banner for years has been Richard H. Yancey. The very name of Yancey is redolent of the best Americanism and the best patriotism in the South.

And others of equally southern and American tribal names have worked on the Banner.

Maj. Stahlman has done much more for the country of his adoption than some of those who are assailing him.—Memphis Commercial Appeal.

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[Reprint from Nashville Commercial Daily (market newspaper), in Banner, Feb. 2.]

TRIBUTE TO MAJ. STAHLMAN.

The citizenship of our distinguished fellow-townsman, Maj. E. B. Stahlman, has at last been settled. The Department of Justice has decided that he is subject to registration as an alien enemy. This decision was based purely upon technical grounds. That no misconstruction of his loyalty or stand in this titanic struggle may occur, we are taking the liberty of featuring the facts as we have them. For once we take a chance without attempting to verify each item, as the high esteem in which he is held forbids any mention of the matter to him at this time. The service flag that floats above the entrance to his paper is large enough and full enough to cover any aspersions that might be cast, while the pay roll, on which still appears the roster of the boys that have gone to the front, is eloquent evidence of the naturalization of his heart, even though his name has never been attached to the papers that legally change the nationality of one who chances to be born in a country that floats other than the Stars and Stripes.

Maj. Stahlman may be an alien. He is not an enemy. Legally he may still belong to the land of his birth and his childhood; morally and in every other way he belongs to the land of his labors and manhood. There may have been some tender memory of those untroubled hours, that never come again in this world, strong enough and full of sentiment enough to have caused him to hope and fight for amicable relations to continue between the land of birth and land of adoption. It would have in most American hearts were they residing in another country when the great war came. Even among those naturalized years ago there was that same desire for friendly relations.

It is not wrong. It is the echo of the inner self that is so interwoven with the higher loves that we can not cast it out. Had Maj. Stahlman come to America as a grown man it would have been his duty in choosing this country as his permanent home. He came, however, as a child. His father died, if we mistake not, before he was subject to full naturalization. We are inclined to believe that when the child grew to manhood he was under the impression that naturalization was not required. At any rate, it was neglected without any intimation or thought that such a day as that of February 2, 1918, would ever come. Such a failure was not a sin of commission. If of omission, there was no ulterior motive back of it. That he is with us, if not of us, all unprejudiced citizens of this city believe. Then, there is proof of it. Men who come to America without sympathy for us and our institutions stay sufficiently long to amass a fortune and then return to the land to which they belong and above which no country ranks in their estimation. With Maj. Stahlman it has been different. Though successful in all his business ventures, until he came to be what is usually called a rich man his investments have been in the city which is and will ever be his home until he moves to the city of shadows, and then the city that he loved and for which he labored so long and so well will shadow the body until the spirit returns to give it life again. He has lived among us, and not even in the evening time of life has there been a call to return to the land of his nativity.

AS A CIVIL LEADER.

The loyalty of Maj. Stahlman can be seen in no better light than to mentally review his labors for the city of Nashville. During his long residence here he has sought to build up the city along lines of permanent rather than inflated growth. Chimerical schemes and hyperbolical representation have always been opposed in the planning of a greater city. In fact, Maj. Stahlman usually did his own building, and only opposed those schemes in which his remarkable foresight saw financial harm. His opposition to the city's investment of a million dollars in the building of the Tennessee Central called down a torrent of maledictions and accusations of a villifying kind upon him and his motives.

Under all he maintained a dignified silence, well knowing that the future would prove the wisdom of his warning. It has. In these and other matters the people of Nashville have learned to listen to his advice and have given him a whole-hearted confidence which has never yet been betrayed. When he remained firm he was accused of stubbornness; when he changed under the light of new facts he was declared a weakling. Whether praised or censured, he has fought the battles of

his people here and has spent and been spent in watching after their present and future welfare. The Stahlman building is not a personal monument—the name was the suggestion of other stockholders—but is a monument to his faith in and love for the city he has year after year so materially aided. His time and his paper have not been used in interesting capitalists from other cities. They have been devoted to the people of this immediate section, and the profit arising from them has been invested where others feared to invest until taxes could be decreased. If Nashville ever had a loyal resident, that resident is E. B. Stahlman. If the industries he has founded or aided are the works of alien enemies, it will chill the hatred America feels for them and encourage the hope that when the cruel war is over all that find no asylum elsewhere will seek a refuge where people can overlook a technicality and appreciate a life dedicated to their welfare. No man that now lives or has lived in this city left or can leave a more indelible impression upon it and its citizens than Edward Bushrod Stahlman.

AS A PUBLISHER.

While this and other papers have seen fit to differ with the Banner during the heat of political campaigns, such difference has been founded upon principles of politics and not upon personal antipathy toward its publisher or lack of appreciation of his ability and worth. Recognizing a giant antagonist, the shafts have been all the keener and hurled with double the force. That the influence of that paper is so far-reaching as to discount any candidate unfortunate enough to stand within range of its fire has called forth grilling attacks from other guns of much smaller caliber. When the race is over there was no post bellum feeling, but if victory, double elation against such odds; if defeat, no shame, because the weight was beyond strength of ordinary mind and pen.

We and others, sometimes critics and opponents, in such a time when no fight is on, feel called upon for a confession of the inner and secret pride we feel in a paper so well and favorably known all over the United States. Nor are we unmindful of the fact that when the Banner and its publisher were younger we followed it and its policies with full indorsement. It may be that when we have reached the snow-capped summit of the mountain of existence we, too, may gain visions hitherto hidden, and view as he views, see as he sees, and seek to lead in the same paths of rectitude and reformation. What he indorses seems to him the best. Right is but a chance—it is not your belief or ours—it is that which in time comes true. Right is rather the wish and attempt, not the consummation. Whatever of success attends a life there is no higher goal than to complete it with "a conscience void of offense toward God and man."

AS A CHURCHMAN.

Only those that know Maj. Stahlman in the home and in the pew can fully appreciate the measure of the man. He has yet to have a pastor who does not look to him for advice in every delicate question that touches the spiritual welfare of the cause. Nor does the pastor always know the extent of a charity that is so hidden by silence and lack of ostentation that few dream of its breadth. It is not time to discuss it now. The subject of this sketch would be offended by reference to those deeds of true friendship in hours of need that neither donor nor recipient care to have recalled. In the home the true measure of his worth is known best of all, and while the somber-winged angel has called on more than one occasion and left the chill of its presence there is still the warmth that makes home worth the best of life and the labors it entails.

The church of which he is a member holds him in high esteem. As an official of that church he has injected the same business methods and thoughts which he has successfully practiced in his private affairs. Especially to the aged and poorer ministers he has been tenderly kind and thoughtful. While the friend of great men, he is the better friend of the man in distress or trouble. Only in the great eternity will the full measure of the man be known.

AS AN AMERICAN.

Since long before the Civil War Maj. Stahlman has been a resident of the United States. His hand has guided many an undertaking into the avenues of usefulness and prosperity. Not only to this city but to the South as a whole he has been a friend and helper in the greater undertakings. Not once in the long years that he has been one of us has lip or pen brought forth a disloyal sentence. When the President declared war on his native land there was not a criticism or complaint, but with a loyalty that many critics would do well to pattern he threw the weight of his paper to the cause of democracy and called upon his employees to go to the front, providing pay to their families while they fought for the liberty of the world. If that be alien enmity let us have the fullness! While it is regrettable that this matter should come just at this time it offers a long-desired opportunity for an expression of the high esteem and perfect confidence in which Maj. E. B. Stahlman is held by those of his fellow citizens who appreciate the value of a man worth while.

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(NOTE.—The above was written before the Banner published a denial of the story appearing in the Tennessean and American. Our information was based upon the interview of Assistant United States District Attorney Marvin Campen. We sincerely hope that the report is an unintentional error. Whether Maj. Stahlman or Mr. Campen is in error, it goes to show that Maj. Stahlman was acting in good faith and considered himself one of us as well as one with us. This is noted as we go to press, too late to change the main article.—Editor.)

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[Editorial, Banner, Sunday morning, Feb. 3.]

QUESTION OF LOYALTY.

The recent publication made in the Tennessean and American to the effect that Maj. E. B. Stahlman, proprietor of the Banner, is an alien enemy was patently malicious as it was also entirely false. No one at all familiar with the facts and conditions could possibly suppose that it came of any patriotic purpose or desire to serve the country.

The statement was not only published in the Tennessean and American but sent out from that paper's office through the agency of special correspondence to the daily newspapers of the State. It was false in fact and false in the allegation that it had come directly from the Department of Justice at Washington.

The malice involved in such a statement, even if the allegation it made had been technically true, was so obvious, its spite and spleen were so patent on the surface, that the papers to which the alleged news was sent burst into indignant editorial protest at the innate meanness of the spirit it displayed. Both of the daily papers in Memphis, and both of those in Chattanooga, papers that had differed with the Banner in public matters and that had strongly differed among themselves, were a spontaneous unit in denouncing the act as a base departure from all ethical principle. The Chattanooga Times called it a "despicable act"; the Memphis Commercial Appeal said it was "about the meanest piece of personal spite" known. The Memphis News-Scimitar roundly denounced the man supposed to be the chief instigator, and the Chattanooga News showed its plain disapproval of such methods.

These newspaper expressions served to show how the vileness of this surreptitious endeavor to injure Maj. Stahlman personally and to destroy the usefulness and influence of the Banner impressed a disinterested public.

They show, too, that the men behind this endeavor did not have sufficient understanding of the common decencies of life; that their intuitions in any matter of equity or honor were too blunted to make them know that the worse effect of the malicious publication would be in its inevitable reaction on those who perpetrated it.

It was contemptibly little, crass in its petty meanness, the work of those so below the power of a clean perspective as not to know that they were making an exhibit of their malevolence; and beyond all of this, it was wholly false.

The public has known only that this allegation was made and contradicted, but there was a great deal beyond this. It was the result of a conspiracy that has been some time in the hatching, but with a result not looked for by those who placed the serpent eggs in the incubator. It was a continuance, in large part, of the personal enmity that has hounded Maj. Stahlman in late years and was meant to work a personal injury; and still further it involved future schemes of politics characteristic of the schemers, and was a stupid effort to remove Maj. Stahlman and the Banner as impediments to the consummation of the plan.

There is more in the story than the public has supposed. Some space will be required to reveal all the facts that have come into the Banner's possession. The first installment is made in an article printed to-day. It may be continued in subsequent issues. It is asked that these statements of facts be carefully and impartially read and that all they reveal and impart be duly considered.

The Banner is not afraid that its loyalty will be in any way impugned by the base effort made to injure the standing of the owner of the paper and thereby impair its influence. Its record is clear. It has given earnest support to the country and to the administration in the conduct of the war. This a patriotic and discerning public has probably more appreciated than it did some of the hysterical stuff coming from other quarters, sometimes as lacking in intelligence as it was at others saturated with spite and personal motive.

The head of every department of the Banner, in both its editorial rooms and its business office, is a native American of southern colonial stock, who could not by any influence or force of circumstances be induced or compelled to do anything not to the country's interest in this time of stress, and the owner of the paper, whose strong personality and active participation in public affairs has for years made him well known, not only to the Tennessee public, but outside of the State, gives full allegiance to the land in which he has lived as a citizen over 60 years, and in whose destiny his every interest is bound. The Banner's course has been in accord with his wishes and has had his full approval.

This effort to impeach Maj. Stahlman's loyalty the public has readily recognized as a piece of low malevolence and personal spite, having no remote kinship to patriotic endeavor.

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[Banner, front page, Sunday, Feb. 3.]

INSIDIOUS SCHEME TO INJURE MAJ. STAHLMAN—REVEALED IN FUTILE EFFORTS OF THE GANG TO FORCE PUBLIC PREJUDICE AGAINST HIM AS AN "EMISSARY OF THE KAISER"—WASHINGTON "SPECIAL" IN TENNESSEAN FALSE ON ITS FACE—STATUS AS AMERICAN CITIZEN FULLY ESTABLISHED BY DEPARTMENT OF JUSTICE—CERTIFIED RECORDS FURNISHED.

Anent the insidious attempt of enemies to create the impression in the public mind that I am an "emissary of the German Kaiser," and not a naturalized American citizen, I wish to say that this scheme had its inception in February of last year, and although at the beginning my name was not actually mentioned, every discerning reader could have understood that the scurrilous and contemptible squibs and paragraphs which appeared in the Tennessean and American from time to time were meant to apply to me. In addition to this on more than one occasion my name was used in leading editorials attacking not only my loyalty to the United States but my citizenship.

On Wednesday, January 30, 1918, the Tennessean and American published the following alleged "special":

"WASHINGTON, D. C., *January 29.*

"[Special.]

"It is ascertained that the Department of Justice has apprised Government officials at Nashville that the status of E. B. Stahlman is that of an alien enemy. It is understood this information was given preparatory to the registration of alien enemies, which begins within the next few days."

If this alleged "special" dispatch had been sent out from Washington on the 29th, and the Department of Justice was giving out for publication a ruling in my case "preparatory to the registration of alien enemies," the sender of this "special" would, instead of asserting that the department had declared me an alien enemy, have been obliged to state that on January 25 it had declared me a naturalized American citizen.

As I see it, this "special" was manufactured in Nashville to enable the gang to pull Assistant District Attorney Marvin Campen, a former private secretary of Luke Lea, into their scheme.

In the light of these and other facts known to me, which I do not now care to bring to public attention, I deem it my duty to give the people of Tennessee full information respecting my citizenship, based upon the record in my case.

While in Washington recently, with four prominent newspaper publishers representing the Southern Newspaper Publishers' Association, I had advices from Nashville that an attempt would probably be made to embarrass me in case I should fail to register as an alien enemy.

I knew I was not an alien enemy, but a loyal and duly naturalized American citizen, and therefore determined to submit the matter to the Hon. T. W. Gregory, the head of the Department of Justice.

After talking the matter over with the Hon. JOHN K. SHIELDS he concurred in that view, saying he would take pleasure in presenting the matter to the Attorney General for me.

I therefore prepared and submitted to Senator SHIELDS the following statement and exhibit, accompanied by a letter addressed to the Senator:

STATEMENT OF EDWARD B. STAHLMAN.

My father, Frederick Stahlman, and mother, Christiana Lange, were married in Mecklenburg, Germany, in the year 1834.

I, Edward B. Stahlman, was their fourth child, born in Mecklenburg, Germany, on the 2d of September, 1844.

My father and mother, with all of their children, left Germany to become citizens of the United States, reaching West Union, in the county of Doddridge, State of Virginia, in October, 1853, in which county and State they contemplated establishing their residence.

In the early spring of 1854 my father was taken seriously ill. He remained so, growing worse from month to month, until he died, in January, 1855.

Mr. Lewis Harnish, a former resident of Mecklenburg, and who had as I now remember, known my father and mother in Germany, came to the United States and located at West Union, in the county of Doddridge, State of Virginia, in 1851.

The kindly interest of Mr. Lewis Harnish in my father, mother, and their children's welfare grew on account of the distress incident to my father's prolonged illness and final death, cementing the bond of friendship between Mr. Harnish and my mother and children, so that in December, 1855, within 11 months after the death of my father, Mr. Lewis Harnish and my mother were married.

On the 24th day of October, 1853, Lewis Harnish declared his intention to become a citizen of the United States, and renounced forever all allegiance and fidelity to any foreign prince, potentate, State, or sovereignty whatever, and particularly to the Grand Duke of Mecklenburg, which same appears of record in law order book No. 1, at page 292, of the office of the circuit court of Doddridge County.

On the 20th day of October, 1856, "said Lewis Harnish came into court and declared on oath that he will support the Constitution of the United States, and that he doth absolutely and entirely renounce and abjure all allegiance and fidelity to every foreign prince, potentate, State, or sovereignty whatever, and particularly to the Grand Duke of Mecklenburg, of whom he was a former subject, whereupon the said Lewis Harnish is admitted a citizen of the United States of America," as shown by record of the circuit court of Doddridge County, Va., in law order book No. 2, at page 44, of the office of said county court clerk. The original copy of said record, certified by L. E. Kiger, clerk of said court, is herewith exhibited to the Department of Justice, and a copy of same attached hereto as Exhibit A.

At the time, i. e., October 20, 1856, when Lewis Harnish was admitted a citizen of the United States, he was my stepfather, and I was only 12 years of age.

Decisions innumerable, as well as acts of Congress, show that my citizenship was established on October 20, 1856, when Lewis Harnish, the husband of my mother, was admitted a citizen of the United States, which is fully confirmed not only by various court decisions but by the Official Bulletin of Wednesday, January 2, 1918, which, on page 10, paragraph 8, makes the following explicit declaration:

"If the second or subsequent husband of an alien widow becomes naturalized as an American citizen, the minor children of such widow residing permanently in the United States at the time of the naturalization of such husband are thereby naturalized as American citizens."

I was not only "residing permanently in the United States at the time," but have been residing in the United States ever since, and during the last 52 years of that time have lived permanently and continuously at Nashville, in the State of Tennessee, where I have been prominently and actively engaged in business pursuits and for the last quarter of a century have, as sole owner and publisher, defined the policy of the Daily Nashville Banner, the columns of which have made my career and aim in life an open book.

Respectfully submitted.

EDWARD B. STAHLMAN.

WASHINGTON, D. C., *January 25, 1918.*

EXHIBIT "A" TO STATEMENT.

Lewis Harnish, a native of Mecklenburg and a subject of the grand duke thereof, this day applied to the court to be admitted a citizen of the United States, and thereupon the said Lewis Harnish exhibited to the court a transcript of the record of this court, declaring his intention, which transcript is in the words and figures following, to wit:

Virginia, Doddridge County circuit court, fall term, 1853. Be it remembered that heretofore, to wit:

At a circuit held for the county aforesaid at the courthouse, said county, on the 24th day of October, in the year 1853, Lewis Harnish, a native of Germany, made the following report of himself to the said court:

That he arrived in the United States of America from Germany in the year 1851, the place of his nativity; that he is about 28 years of age, and that it is his intention to become a citizen of the United States of America. Thereupon the said Lewis Harnish came into court and made oath on the Holy Evangelists of Almighty God that it is his bona fide intention to become a citizen of the United States of America and to renounce forever all allegiance and fidelity to every foreign prince, potentate, State, or sovereignty whatever, and particularly to the Grand Duke of Mecklenburg.

Virginia, Doddridge County, to wit:

Francis D. Hickman, clerk of the circuit court of Doddridge County, does hereby certify that the foregoing is a true transcript taken from the record of the said court:

In testimony whereof I have hereunto set my hand and affixed the seal of said court at the courthouse of said county, this 24th day of October, 1853.

Tests:

FRANCIS D. HICKMAN,
Clerk.

And it being proven to the satisfaction of the court by the evidence of William Huffman and John Wanstreet, who were examined on oath as witnesses, that the said Lewis Harnish has constantly resided in the United States for the last five years and within this State for more than one year at least, and that during that time he has behaved himself as a man of good moral character attached to the principles of the Constitution of the United States and well disposed to the good order and happiness of the same, whereupon the said Lewis Harnish came into court and declared on oath that he will support the Constitution of the United States, and that he doth absolutely and entirely renounce and abjure all allegiance and fidelity to every foreign prince, potentate, State, or sovereignty whatever, and particularly to the Grand Duke of Mecklenburg, of whom he was a former subject, whereupon the said Lewis Harnish is admitted a citizen of the United States of America.

"STATE OF WEST VIRGINIA,
"*Doddridge County, to wit:*

"I, L. E. Kiger, clerk of the circuit court of Doddridge County, W. Va., do hereby certify that the foregoing is a true and correct copy of the order admitting Lewis Harnish to citizenship in the United States of America, in the circuit court of Doddridge County, W. Va., on the 20th day of October, 1856, of which the same appears of record in law order book No. 2, at page 44, in my said office.

"Given under my hand and the official seal of said court this 20th day of December, 1917.

"L. E. KIGER, *Clerk.*

LETTER TO SENATOR SHIELDS.

WASHINGTON, D. C., *January 25, 1918.*

MY DEAR SENATOR SHIELDS: I am handing you herewith a brief statement covering the facts and records relating to my citizenship. I have attached a true and correct copy of the record of the clerk of the circuit court of Doddridge County, W. Va., to my statement as an exhibit, and am handing you the original certificate to satisfy the department of the genuineness of the copy. I ask to have this original paper returned to me, or a certified copy thereof furnished me.

I make no reference in my statement to the declaration of my desire to become a citizen of the United States filed by me in the office of the circuit-court clerk of Davidson County, Tenn., on the 5th of July, 1867, since that has no bearing on my case now.

The circumstances under which this declaration was made by me has been explained to you. When made I was a young man, many hundred miles from my home and relatives in Virginia. I did not then know what rights my stepfather's naturalization bore on my citizenship. I lived in Tennessee, was anxious to vote, and finding that a mere declaration of my intention to become a citizen of the United States under the act of the Tennessee General Assembly passed in 1866–67 would give me the right, I made my declaration. It was during the reconstruction period, just after the Civil War, when there was a very heated campaign on to determine whether the substantial white citizens of the State should be allowed to assume control of its affairs or the carpetbaggers, aided by the negroes, should be permitted to continue in power.

I felt so keenly an interest in the success of the former that I lost no time in seeking to qualify myself as a voter by a method so simple, and took that course rather than search over the records of a distant State to find whether or not my stepfather had become a naturalized citizen, and whether, even if he had, it would entitle me at that time to vote in Tennessee.

You know what took place in New York last April. You, Senator MCKELLAR, and Representative BYRNS know whom I suspected of the base attempt to harass and humiliate me by imprisonment, if they could, even though it were only one night, a day, or even an hour.

These men are still at work. They have not let up, and I ask that you to-day please confer with the Attorney General and determine whether or not he will take steps to compel the officials connected with his department at Nashville to cease playing into the hands of the politically corrupt creatures who are seeking to harass me.

I would not gratify the curiosity of these scoundrels by showing them any of my records or papers. I have lived too long in the city of Nashville, have been too thoroughly identified with all that tended to promote its welfare, to dance attendance to men who, through disappointment in politics and malice, are seeking to annoy and destroy me.

If the Attorney General is not entirely satisfied with the character of the evidence I furnish in this statement, he will very greatly oblige me by sending a special agent to West Union, Doddridge County, about 50 miles east of Parkersburg, on the Baltimore & Ohio Railroad, where he will be able to find in the West Union cemetery a monument erected under my direction over the grave of my father, showing that he died in January, 1855.

This agent will then, by going to the office of the county-court clerk, find a record of the license issued in December, 1855, authorizing the marriage of Lewis Harnish and my mother, and by going to the office of the circuit-court clerk he will find court record showing that Lewis Harnish was admitted to full citizenship of the United States on the 20th of October, 1856.

I am ready to meet all expenses incurred in making this further investigation, if necessary. I desire a surcease of the intolerable attempts of the unscrupulous gang that is seeking to annoy me, and as a citizen of the United States I feel that I have a right to ask that such protection shall be vouchsafed to me.

Only yesterday I received a letter strongly indicating that an attempt may be made to give me trouble if I fail to register within the next 10 days as an alien enemy, which I am not.

Can it be possible that the employees of the Department of Justice at Nashville will continue to lend their official sanction to such an attempt as that?

I sincerely trust that the Attorney General will see his way clear to take prompt and positive steps to stop my enemies from annoying me any further, or at least stop the officials of the department in Nashville from giving any countenance or support to these enemies.

Very sincerely, yours,

E. B. STAHLMAN.

Senator SHIELDS immediately upon the receipt of the foregoing papers from me called upon the Attorney General, receiving later the following letter respecting my claims to citizenship and the ruling of the Department of Justice thereon:

ATTORNEY GENERAL'S OPINION.

"OFFICE OF THE ATTORNEY GENERAL,
"*Washington, D. C., January 25, 1918.*

"Hon. JOHN KNIGHT SHIELDS,
"*United States Senate, Washington, D. C.*

"MY DEAR SENATOR SHIELDS: I have carefully considered the documents submitted by you in respect to the citizenship of Edward B. Stahlman, of Nashville, Tenn., and the necessity of his registering as a German alien enemy.

"From these documents it appears that Edward B. Stahlman was born in Mecklenburg, Germany, September 2, 1844, the son of Frederick Stahlman and Christiana Stahlman (born Christiana Lange), German subjects, who were married in Mechlenburg, Germany, in the year 1834; that he was brought to the United States in October, 1853, by his father and mother, who settled in Doddridge County, Va.; that his father, Frederick Stahlman, died in the United States in January, 1855; that his mother, Christiana Stahlman, after the death of her husband, Frederick Stahlman, and in December, 1855, was married in

the United States to Mr. Lewis Harnish, then a German alien; that on October 20, 1856, Lewis Harnish completed his naturalization as an American citizen and was, by the circuit court of Doddridge County, Va. (now West Virginia), duly admitted a citizen of the United States of America; that at the time of the naturalization and admission of Lewis Harnish, stepfather of Edward B. Stahlman, as an American citizen, the mother of Edward B. Stahlman was (so far as appears) living in the United States, and her son, Edward B. Stahlman, was a minor of the age of 12 years, then permanently residing or dwelling within the United States; that Edward B. Stahlman has since continued to reside permanently in the United States; and that he has not expatriated himself.

"If the facts be as stated, Mr. Edward B. Stahlman became naturalized as an American citizen on October 20, 1856, by the naturalization on that date of his stepfather, and is not required to register in the forthcoming registration of German alien enemies. His subsequent filing of a declaration of intention to become a citizen of the United States is to be regarded merely as cumulative evidence of election of United States citizenship, as he was already a citizen of the United States by the naturalization of his stepfather, and was none the less so because he may at the time of filing his declaration of intention have entertained unfounded doubts on the subject.

"Respectfully,

"T. W. GREGORY,
"Attorney General."

"Inclosures: Letter January 25, addressed to Senator Shields by E. B. Stahlman; copy naturalization record of Virginia (Doddridge County) circuit court."

When on the morning of January 30 the Tennessean and American on the top of its front page and in box form, under headlines, stated "E. B. Stahlman is declared to be an alien enemy—Status of local publisher established by United States Department of Justice," I immediately telegraphed Senator SHIELDS, transmitting the full text of the article and asking him to at once ascertain if the department had at any time ruled that I was an alien enemy; and if so, please ascertain when and upon what representation this ruling was made and by whom the statement was made to the department upon which it had made its ruling.

I wired Senator MCKELLAR and Representative BYRNS also, so that in case of the absence of either the matter would have prompt attention from the other. I received responses from all three to the same effect, but it is not necessary to quote from either, since the honorable Attorney General, with the apparent purpose to put a quietus on this matter and without any request from me, sent direct to me the following telegram:

WASHINGTON, D. C., *January 30—9.30 p. m.*

Maj. E. B. STAHLMAN,
Nashville, Tenn.:

On December 3 last reported to this department by district attorney at Nashville that you were born in Germany and not naturalized. On this information I wrote district attorney on December 17 that you were within the statutory definition of an alien enemy. On January 25 facts presented to me showed that you came to United States as a child; that your father died in 1855; that your mother married again; that subsequently her second husband was naturalized while you were still a child; that you have lived in the United States since you originally came here; and that you have not expatriated yourself. On these facts I held that you became an American citizen through naturalization of your stepfather, and that you were not required to register as an alien enemy. On the same day I wrote United States Attorney Douglas of the conclusion reached and the facts and reasons on which it was based, stating to him that these facts were not before the department at the time I wrote him on December 17. Since January 25 this department has given nothing varying in the slightest the conclusion announced on January 25. My letter to Douglas, dated January 25, seems to have been mailed on January 26.

T. W. GREGORY, *Attorney General.*

According to the statement of Assistant District Attorney Marvin Campen, the letter from the Department of Justice, dated January 25, ruling that I was a naturalized American citizen, was not received by him until Wednesday morning, January 30, the day following the information given by him to the Tennessean and American, alleging that I was classed as an alien enemy.

I have no wish to impugn Mr Campen's statement, but it appears somewhat strange that a letter dated January 25 and mailed in Washington January 26 should not have reached Nashville until the morning of January 30, when I, on my return home, did not leave Washington until the evening of January 27 and, after being delayed 12 hours by a collision en route, thereby missing two train connections, was able and did reach Nashville at 8.40 o'clock on the morning of January 29, bringing with me a copy of the Attorney General's letter to Senator SHIELDS, which was handed to me in Washington on the morning of January 26, 28 hours before my departure from Washington City on January 27.

There are a number of important facts bearing on the attempt of the gang to embarrass and destroy me, which it is not necessary to bring to the attention of the public at this time. The foregoing record and statement will answer for the present. It will, at least, be sufficient to sorely disappoint and thwart the aim of my enemies and give a corresponding degree of comfort and pleasure to my friends.

E. B. STAHLMAN.

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[Editorial, Banner, Feb. 4.]

MECKLENBURG.

Some of those who have endeavored to malign Maj. E. B. Stahlman and prejudice him with the Tennessee public because of his birth in Germany more than 70 years ago, have called him an "emissary of the Kaiser," a "subject of the Kaiser," and "a born subject of the Kaiser, for whom he has never foresworn allegiance."

As told in the article published on the front page of Sunday's Banner, Maj. Stahlman has been a naturalized American since 1856, and under all law and right is as much a citizen of this country as if he were born here, but without regard to that important fact he was not born a subject of the Kaiser and none of his ancestors ever owed such allegiance. It was ignorance of history that ever led his traducers, as misinformed as they were malicious, to such an allegation.

Maj. Stahlman was born in the Grand Duchy of Mecklenburg-Schwerin in 1844 and came to America with his parents nine years later. The German Empire, as now known, was not formed until 1871. There was no Deutches Kaiser, otherwise German Emperor, until 27 years after Maj. Stahlman was born, and the Hohenzollern kings of Prussia, who became German emperors when the empire was formed at Versailles, near Paris, after the conclusion of the Franco-Prussian War, in 1871, never had any sort of dominion over Mecklenburg before that date. Maj. Stahlman was then an American, living in Nashville.

If Maj. Stahlman had never been naturalized, as his enemies endeavored to make it appear, it would have been only in a constructive sense that he was a subject of the Kaiser, since he left Germany nearly 20 years before there was a Kaiser and before the present German Empire had any existence.

Maj. Stahlman's father was a subject of Grand Duke Friedrich Franz III of Mecklenburg-Schwerin, and had no other sovereign. The Grand Duchy still exists, but it is now a State of the German Empire, with two members of the Bundesrat and six deputies in the Reichstag, compared to Prussia's 17 members of the Bundesrat and 236 members of the Reichstag. The total membership of the Reichstag is 397.

With the Prussian king as emperor and such a large preponderance of Prussians in the imperial legislative body, the whole of Germany is now pretty well Prussianized, but it was not so when Maj. Stahlman was born. Mecklenburg was then independent. It was allied with other German States in a loose "bund," or confederation, mainly for commercial purposes, in which the Emperor of Austria had a nominal prestige but exercised no sovereign authority.

Mecklenburg-Schwerin and Mecklenburg-Strelitz, formerly united, are two States in the extreme north of Germany, with a hardy population, almost wholly Protestant in religion. The University of Rostock is in Mecklenburg, and there are 1,235 elementary schools, with about 100,000 pupils.

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[Front page—Tennessean and American, Feb. 4.]

MARVIN CAMPEN EXPLAINS STATUS OF E. B. STAHLMAN—ASSISTANT DISTRICT ATTORNEY ASSERTS PUBLISHER WAS DECLARED AN ALIEN ENEMY—RULING WAS CHANGED IN SUBSEQUENT ORDER—JUSTIFIES FORMER INTERVIEWS AND DENOUNCES ACCUSATION OF FALSEHOOD.

Marvin Campen, assistant United States district attorney, Sunday gave out the following statement relative to the E. B. Stahlman naturalization matter:

"Publicity does not appeal to me, and I desire no controversy with an aged man like Maj. Stahlman, but can not let his implied accusation of falsehood against me, relative to the receipt by me of the letter from the Department of Justice, dated January 25, 1918, on the morning of January 30, go unnoticed simply because of his years and his sensitiveness, perhaps largely due thereto. His reflection on me will go for naught with those who know me, and personally I do not care what he thinks of me. I am not and have not been interested in the major's status, because if the past is any criterion for the future the result of determining the major's status, whether citizen or alien, will be the same to our country.

"From the major's statement in Sunday's Banner it appears that his two letters to Senator SHIELDS, furnishing additional information, were dated January 25, 1918, and that Senator SHIELDS transmitted the documents to the Attorney General the same day, and the reply of the Attorney General to Senator SHIELDS was dated the same day—January 25—and the department's letter to the district attorney at Nashville was dated the same day. The Attorney General's telegram of January 30 to Maj. Stahlman states, 'My letter to Douglas, dated January 25, seems to have been mailed on January 26.'

"It happens not infrequently that mail is received from the Department of Justice, as well as other departments at Washington, at the district attorney's office a week or more after the date on the letterhead. I repeat most emphatically that the letter in question did not come to my office until the morning of January 30.

"Maj. Stahlman further attempts to impugn my motives by reference to the fact that I was formerly private secretary to Col. Lea. He could have stated also that I was formerly a private secretary to Senator SHIELDS. Both Col. Lea and Senator SHIELDS had enough confidence in me to indorse me for the position I now hold without my soliciting either of them for the indorsement and without my being an applicant.

"Many of Maj. Stahlman's warmest friends have commented on the fairness to him of my statement of the night of January 29.

"It was up to me to tell the truth or a lie, and I preferred the truth, as it appeared in the files at that time, although I might have relied on the precedent of St. Peter, as did the Major on one occasion, when he was denounced as a liar and a thief by no less a personage than a distinguished United States Senator in the course of a senatorial investigation involving the Major, when the Major received over $100,000 which Congress thought was going to supernumerary ministers of the Methodist Church.

"I alone am responsible for my statements, and the Major's veiled insinuations and his wrathful threats, as I have been informed, to 'get my official scalp' do not intimidate me. The fact remains that at least from December 17, 1917, to January 25, 1918, the Major's status with the Department of Justice was that of an alien enemy within the meaning of that phrase in the statute; and the further fact remains that the Major was so uncertain of his status that he filed a declaration of his intention to become a citizen of the United States long after the naturalization of his stepfather in 1856.

"It has been noticeable in recent years that the Major vents his spleen without measure on those who incur his displeasure in the smallest particular, and then seeks refuge and sympathy in his old age when a victim of his wrath speaks a word in his own behalf.

"This ceases the matter so far as I am concerned."

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[Banner—front page—Feb. 4.]

MAJ. E. B. STAHLMAN NOT AFTER "KIDS."

Maj. Stahlman, referring to the article in the Tennessean and American of this morning, headed "Marvin Campen Explains," says:

"I am sorry Mr. Campen is allowing himself to play 'the goat' for the conspirators higher up.

"It's a mighty poor start in life for a young man to make.

"'Dollars to doughnuts,' Campen didn't even write his alleged interview, at any rate, a large portion of it was inspired by another.

"I am not after 'kids,' but full-grown 'bucks,' and have at least two of them already lassoed through records in my possession."

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[Reprints from Tennessee newspapers in Banner, Feb. 5.]

WHAT TENNESSEE PAPERS SAY.

About the silliest bit of alleged news seen in a long time is that that by some hook or crook got into the papers to the effect that Maj. E. B. Stahlman, the owner of the Nashville Banner and one of the enterprising and progressive citizens of Nashville, was an "alien enemy."

At first blush it strikes one as being too silly to merit the slightest notice. And it deserves none except as an illustration of how silly some persons are when it comes to gathering news worth printing. In some way this got into print and may have been read with some surprise by some who may not know Maj. Stahlman, or know of him. Of either of these classes there are few.

The major is a native of Germany, born there seventy-odd years ago. When 9 years old he came to this country and into the State of Virginia. When less than 21 he came to Tennessee, and his home has been here since 1863. He has not been a dead or unknown one in any sense. In business he has been a live wire, and has succeeded to a very large extent. He is one of the five men of the State capital. He is personally known to thousands of Tennesseeans, and there are few in the State who read newspapers who don't know of him.

In respect to being an "enemy alien," there is not a paper in the State or in the country that has stood more loyally to the administration than has the Nashville Banner, in which Maj. Stahlman owns at least a controlling amount of stock.

As already stated, Maj. Stahlman is a German by birth, but most of his life has been spent in Tennessee, and, like thousands of others so born, he is intensely loyal to the land to which his parents brought him when he was a boy not yet in his teens. He is a loyal American, a loyal Tennesseean, and a leading citizen. Whoever gave publicity to the assumption that Maj. Stahlman was an alien enemy showed his ignorance and exposed his silliness.

Now, the Department of Justice at Washington has revised its ruling on the status of Maj. Stahlman as an "enemy alien." The same officials of that department who first passed upon his status have now faced about and declare, among other things, "that Maj. Stahlman became a naturalized American citizen by reason of the naturalization of his stepfather in 1856, this latter opinion being based upon facts not before the department at the time of the former (and contrary) opinion."

Truth and justice have again come into their own. (Knoxville Journal and Tribune.)

FORUM OF THE PEOPLE.

LUKE'S LATEST.

To the EDITOR OF THE BANNER.

I think Luke had about despaired of ever downing the major. But lately a new vision came over him. It comes with poc- grace for a man like Luke to try to sick the Government on a man like Stahlman, a man who has for 40 years fought both with his pen and pocketbook for the very best of the State and Nation. Get up some other razzle, Luke.

T. A. SMITH.

ORION, TENN., *February 4.*

[Reprints from Tennessee newspapers and Forum letter—Banner, Feb. 4.]

WHAT TENNESSEE PAPERS SAY.

So far as our information goes there has been no newspaper in the United States more patriotic than the Nashville Banner. Maj. E. B. Stahlman, owner and publisher, while a German by birth, has spent his entire life in this country and has contributed of his talents to the upbuilding of the Government and the community in which he lives. If memory serves us right, we believe the dirty trick against Mr. Stahlman emanated with Col. Luke Lea. It's a pity that we have not more men of Stahlman's character and manhood, and fewer like those who would destroy the world to gain political advantage. Nashville, Tennessee, and the South will resent such treachery and disgraceful political tactics by Maj. Stahlman's personal enemies. We believe, and thousands of people all over the South—yes, throughout the United States—believe that a truer citizen never lived than Stahlman.—South Pittsburg Hustler.

WASTED TALENTS.

The enterprising investigator who delved in the dusty files and tomes of time back to "befo' de war" to establish the status of Maj. E. B. Stahlman, owner of the Nashville Banner, as that of an "alien enemy," was wasting his young ambition and talents as a sleuth at a time when there is so great demand and opportunity in this field of endeavor. Even though the major was not born in the United States, he must have been acclimated before the investigator was born, and, at any rate, the statute of limitations bars any cloud of title on a citizenship that dates before the Civil War, when the United States themselves were new born. The Sherlock Holmes who opened on this cold trail of the veteran Nashville publisher was no doubt doing a little private sleuthing to his personal account under guise of patriotism, which also covers a multitude of sins.

Maj. Stahlman has a large circle of friends, not only in Tennessee but throughout the South, who have never lost confidence in him or even slightly doubted his loyalty to the United States. His Nashville Banner is one of the leading and most influential newspapers in the South, and as its publisher the major can usually be found espousing the things that stand for the good of his city, State, and Nation.—Knoxville Sentinel.

FORUM OF THE PEOPLE.

MAJ. STAHLMAN AS AN ALIEN.

To the EDITOR OF THE BANNER:

I just can not remain silent. Of all the nasty, mean, low-down, contemptible things of which Luke Lea has been guilty, this last one assailing the patriotism and citizenship of Maj. E. B. Stahlman takes the rag off the bush. I have watched with careful scrutiny the acts and influence of these two men in the politics of the State, especially as regards the prohibition issue, and can say with confidence that Maj. Stahlman has all the time been a straightforward, honest, and sincere advocate of State-wide, bone-dry, and national prohibition, and has labored ably and faithfully without the shadow of a turning for their adoption by the State and Nation and has grandly won the fight. I doubt very much if any man or any paper in the State has done as much for prohibition as Maj. Stahlman and the Banner have so wisely and effectively done. I have not now sufficient words to describe his lofty efforts, which will redound to the glory and for the comfort and happiness of the women and children for all time to come. In contrast, what am I forced to say of Luke Lea? I verily believe with all my heart he is one of the most contemptible hypocrites that ever disgraced the State. For it is a fact which everybody knows, or ought to know, when a bill was brought before the legislature for passage into a law Luke Lea was there with Hilary Howse, Crump, his satanic majesty, and the whisky force of the State laboring with all his might to effect its defeat. While he was posing publicly as a prohibitionist he was doing all he could secretly against the passage of these laws. This is his history given by the papers of the State. What are the people to think of such a man as this? Now he is doing all he can to traduce the loyalty and citizenship of a man who since early boyhood had to labor in his adopted State for his own support and that of his widowed mother, and all the time since manhood has been his estate he has exhibited a liberality for the church and community in which he lived not excelled by many men of his day and generation. Such is the character of Maj. Stahlman right at and all around his door and in all the homes of Nashville. Luke Lea's attack will fall flat and wide of his mark and will be characterized by the best men of the State as a piece of contemptible littleness.

JOHN C. WRIGHT,
Trenton, Tenn.

[Reprints from Tennessee newspapers—Banner, Feb. 6.]

WHAT TENNESSEE PAPERS SAY.

A report has been circulated in Tennessee that Maj. E. B. Stahlman, owner of the Nashville Banner, is an alien enemy. It is a false report and does a loyal American citizen a grievous injustice.

Maj. Stahlman was born in Germany, but came to this country when he was a child. In 1856, when he was only 12 years of age, he became a naturalized citizen through the naturalization of his stepfather. And he has been a citizen of the kind and character of which America can not have too many. He began at the bottom in the struggle for existence, and by dint of his own efforts he has achieved a success in which men with much better earlier opportunities could find great satisfaction. If he has profited by coming to America, that part of America in which he lives and moves and has his being has been benefited by his presence here. He has been a foremost figure in the public-spirited citizenship of Nashville for 30 or 40 years, and there are few people in Tennessee who do not know that he is an asset to that city.

The Nashville Banner is one of the leading newspapers of the country. It is also one of the most thoroughly and intelligently patriotic newspapers of the country. No paper anywhere has given the Government and its war efforts more loyal and whole-hearted support. No paper anywhere has addressed itself more ably and earnestly to the duty of holding up the hands of the President and the administration at Washington.

Maj. Stahlman is an American citizen in whom there is no taint of alienism. Any attempt to embarrass and injure him by raising a question as to his loyalty is despicable and will fail. (Bristol Herald-Courier.)

[Reprints from Tennessee newspapers and Forum letter, Banner, Feb. 7.]

WHAT TENNESSEE PAPERS SAY.

AN ABSURDITY.

The idea of classifying Maj. E. B. Stahlman as an alien enemy seems absurd to those who for nearly 40 years have known him to be a true and loyal friend to this, the country of his adoption. (Rogersville Star.)

GAME OF SNEAK.

The story told of Maj. E. B. Stahlman being an alien enemy seems to have been concocted by an enemy who knows how to play the game of sneak. (Knoxville Journal and Tribune.)

HIS HYPOCRISY PUNCTURED.

The efforts of the Tennesseean to make out that Maj. E. B. Stahlman, editor and owner of the Nashville Banner, is an alien enemy fell flat and only resulted in discredit to the Tennesseean, as it heartily deserved.

It would seem that Luke Lea would learn after a while that he can do nothing with major and be content to get along without having his hypocrisy punctured as often as it has been in the past. (Crossville Chronicle.)

NARROW PIECE OF WORK.

The effort to make Maj. E. B. Stahlman, owner of the Nashville Banner, an alien enemy of the United States has fallen very, very flat, and those responsible for this narrow piece of work do not even look like 30 cents. This is a very serious matter, under present conditions, and ought not to rest with Maj. Stahlman's elaborate and manly explanation. The instigator ought to be brought to strict account by the Federal Government. This is the only way to put a stop to such meddlers. (Lawrence Union.)

APPRECIATES THE BANNER.

CAMDEN, TENN., *February 6, 1918.*

To the EDITOR OF THE BANNER:

For some time I have read with pleasure your splendid editorials on the war that is now raging in Europe. I have from time to time observed your position, and must say that for patriotism and patriotic sentiments you are unexcelled, the Tennesseean notwithstanding.

The article last night, "The war has begun," should be read by all American citizens. It breathes the true spirit of the times. For patriotism this article goes beyond anything that I have read on the question. It is strange, indeed, with all you have said and the positions you have taken, that the Nashville Tennesseean would take the little, contemptible position that it has recently, that it might reflect on Maj. Stahlman as an American citizen. This is no time for dissension, but is the hour for all who are true Americans to stand together. The American citizen is going to be looked upon after this war with more respect than ever before. He is going to be the balance of power that forever destroys the spirit of conquest that has flourished for so long in the land of Germany. May we realize his worth and all stand together in this hour of war, in which our Nation is to play the winning part

America has a tradition which swells every American citizen's heart with pride. This must and will be upheld in this war. Your paper does its part well in its editorials along this line, and its expressions from time to time, it seems to me, do much to help win this war.

C. N. FRAZIER.

[Reprints from Tennessee newspapers—Banner, Feb. 8.]

WHAT TENNESSEE PAPERS SAY.

A PATENTLY INSIDIOUS EFFORT.

A few days ago there appeared in the Tennesseean an alleged special, stating that the status of Maj. E. B. Stahlman was that of an alien enemy. This was followed by another special in which the status of Maj. Stahlman was revised, and stating that he became a naturalized citizen through the naturalization of his stepfather.

Any intelligent citizen knows that the circulation of a report that Maj. Stahlman was an alien enemy was not actuated by any patriotic motives or desire to serve the country, but was patently an insidious effort to injure Maj. Stahlman and impair the influence of his paper, the Nashville Banner. This attempt to discredit and injure as loyal and patriotic citizen as Maj. Stahlman has fallen decidedly flat and has been denounced by the press throughout the State.

Maj. Stahlman was born in Germany, but came to this country when a child, and was naturalized in 1856, when 12 years of age, through the naturalization of his stepfather. He has been a citizen of Nashville for 30 or 40 years, and is one of the foremost figures in the public-spirited citizenship of the South.

The Banner is one of the leading papers of the country, thoroughly and intelligently patriotic, and has given the Government loyal and whole-hearted support in its war efforts. No paper anywhere has more ably and earnestly stood by the President and assisted the administration at Washington. (Marshall Gazette.)

ENVY, MALICE, SPITE.

Maj. E. B. Stahlman is not an alien enemy. Envy, malice, and spite have caused many uncalled-for attacks on Mr. Stahlman, and but shows the smallness and mediocrity of the man who does it. Maj. Stahlman is a citizen of the United States and a patriotic one. (Murfreesboro Home Journal.)

PERSONAL SPLEEN.

The efforts to have Maj. E. B Stahlman declared an alien enemy were contemptible, miserably small, and bore the stamp of personal spleen. To our way of thinking there is not a more loyal American living than Maj. Stahman. Certain it is that Tennessee and Nashville can claim no other citizen who does more for his country, his State, or his city. There is no movement for good that he is not an active agent and despite his advanced age his energies are great and his time, his talents, and his money are lavishly given for every worthy object and every laudable undertaking. He supports men and measures that stand for the right as he sees it and his actions are stimulated by no hope of reward. He seems to have incurred the everlasting displeasure of a class of men who stop at nothing that will harass him, and yet he has done more for the State and its people than a field full of those small-bore, selfish individuals. One of the annoying features of this war is that it gives the opportunity for some men to display their counterfeit patriotism that on some occasions is difficult to distinguish from the real. Maj. Stahlman has friends, not in one section, but over all of Tennessee, who believe in him, who believe in his honesty and in his integrity, and the contemptible efforts of a gang to harass and embarrass him only cements that friendship the stronger. (Alexandria Times.)

[Reprints from Alabama newspapers, Banner, Feb. 9.]

WHAT ALABAMA NEWSPAPERS SAY.

NOT AN ALIEN.

December 3 last report was made by the district attorney at Nashville to the Department of Justice at Washington that Maj. E. B. Stahlman, owner of the Nashville Banner, was a native of Germany and not naturalized The Attorney General then issued order that the major be enrolled as an alien enemy. The publication of the news of this finding caused a sensation in Tennessee, where Maj. Stahlman is a considerable figure in business and political life. The major set to work, however, and seems to have had no difficulty in showing that as he came to this country as a child, and was under the tutelage of a stepfather who was naturalized he himself did not need to be naturalized. Accordingly, January 30 the Attorney General writes: "On these facts I hold that you became an American citizen through the naturalization of your stepfather, and that you were not required to register as an alien enemy." Maj. Stahlman is widely known throughout the South, in which quarter he has been prominent for 50 years or more. (Mobile Register.)

The effort of some Tennessee politicians for personal reasons to discredit Maj. E. B. Stahlman, the able editor of the Nashville Banner, as a German alien, deserves the strongest condemnation. It shows to what depths men will go to accomplish their purposes. But the major got back at them all right; and his friends all over the South, even those who do not know him personally, will rejoice with him. (Florence (Ala.) Times.)

[Reprints from Tennessee newspapers, Banner, Feb. 12.]

WHAT TENNESSEE PAPERS SAY.

MAJ. E. B. STAHLMAN.

It is to be regretted that the loyalty of such a man as E. B. Stahlman, after his long, useful, patriotic, and loyal citizenship in Tennessee, should be called in question; for even if he had not been, technically, naturalized, everybody knows that he considered himself a citizen of Tennessee and of Nashville, and everybody so treated him, for he has been a voter in that city for years. As a matter of fact, however, Maj. Stahlman has shown beyond any doubt that he is a naturalized citizen, and the Department of Justice at Washington has passed on that question and forever set it at rest. It must be apparent that there is some one or more of Maj. Stahlman's personal enemies behind the effort to injure if not destroy him, and that they were not actuated by any good motive or purpose to serve the best interest of the country, but, on the contrary, were influenced by personal spleen and were guilty of bad citizenship in attempting at this time to injure a man and an enterprise contributing their best energies to the country's needs. No man who reads the Nashville Banner can get the idea that it is being used other than for the national welfare.

We are not advised as to who or what interest is behind this unjust attack on Maj. Stahlman, but we see no reason why he should not expose those who would, if they could, destroy him; for whoever they are, if prompted by personal spleen or other bad motive, they are unworthy citizens and deserve to be watched. (Clarksville Leaf-Chronicle.)

A BIG STICK.

His pursuers have learned that Maj. E. B. Stahlman carries a big stick and is not averse upon occasion to using it. (Knoxville Journal and Tribune.)

HE STANDS FOR THE RIGHT.

The men who are trying to discredit Maj. Stahlman by calling attention to his citizenship had best pluck the beam from their own eyes. Whatever be said of his citizenship—and he has proven that to the satisfaction of all—he stands for the right. He makes mistakes, but he is not a petty politician. To say the least, he is bigger than the men who are trying to besmirch his character. (Watertown Herald.)

[Reprints from Tennessee newspapers, Banner, Feb. 16.]

WHAT TENNESSEE PAPERS SAY.

LOYAL AND FAITHFUL.

The attempt of the Tennesseean and American to injure Maj. Stahlman has been one of the best advertisements for the Banner we have seen in some time. It has been the occasion of bringing forth many complimentary notices of Maj. Stahlman that show him to be one of Tennessee's most loyal and faithful citizens—a man who is appreciated by all true Tennesseeans for the valuable services he has rendered the State during his long and useful career. (Bedford County Times.)

SPITEFUL WAR.

Concerning the little spiteful war made on Maj. E. B. Stahlman by Luke Lea and the Tennesseean, the Memphis News-Scimitar says: "It will be a blessing to Tennessee when Luke Lea, colonel in the National Guard by the generosity and bad judgment of Tom Rye, pitches his tent in France and finds himself where he can no longer be a disturbing factor in Tennessee politics. Thus far his official duties have interfered in no way with his personal and selfish designs. Maj. E. B. Stahlman earned his eternal ingratitude the day he was instrumental in electing him to the Senate, and he has dogged him ever since with villainous persistence, not only to wreak vengeance upon him personally, but to destroy the influence of his newspaper. * * * There isn't a more patriotic honorable, or more generous man in the United States. He reared a large family and his children and their children are a credit to this country. Maj. Stahlman is now an old man, but he has as many friends as Luke Lea has enemies, and no man could wish for more." All of which the Index heartily indorses. (Bedford County Index.)

COWARDLY AND CONTEMPTIBLE.

The cowardly and contemptible effort to discredit Maj. Stahlman, of the Nashville Banner, was simply another example of editorial jealousy and malicious spite. And the storm of indignation it aroused is simply another evidence of the fact that the public will not support a newspaper that depends upon lies and appeals only to the prejudice of the poison minority. (Morristown Republic.)

THE TRUMP PLAYED.

Maj. Stahlman waited until his enemies had played their last card, then he played his trump. You have to get up before day to put one over on the major. (Sparta News.)

[Forum letter, Banner, Feb. 21.]

DEFENSE OF MAJ. STAHLMAN.

To the EDITOR OF THE BANNER:

In reading in the columns of the Banner of some of those who criticize Maj. Stahlman on his loyalty, I want to say I have been a reader of the Banner for three years and I have never doubted Maj. Stahlman's loyalty to the United States.

There is no paper that has come out in defense of America more urgent and patriotic than the Banner.

The Banner has many times appealed to masses of the people to defend their country and help win the war, and no one dares to deny this; and this is a duty which everyone should perform whether in the trenches, in the factory, or behind the plow handles. A man has three duties to perform: A duty to his God, his country, and his home. A man who will not defend these duties is a coward. I am not a war lord like the Kaiser and Hindenburg, but I believe we should carry the war to a finish or till the Kaiser asks for peace which will be everlasting.

I am not from what some would call a warring family, but I am proud of the fact that my ancestors have been soldiers in all of America's wars, from Bunker Hill to Vera Cruz and from Gettysburg to Santiago's grim walls.

Both of my grandfathers served in the Confederate army, and one of them charged with Pickett up that blood-stained slope at Gettysburg, and I still honor his memory, and I am proud of the fact that some of his grandsons are serving their country in the world war. Let us bury old grudges and politics and stand firm side by side, and back up these boys who are giving their lives in defense of peace. There will be many vacant chairs in homes; there will be streams of tears that will be shed for those who return not. Think of the mothers sending their nearest and dearest to the bloody battle fields of France. For the dearest thing on earth to a mother is her son; so let not those war mothers look us in the face and say you did not do your duty.

L. D. SANDERSON.

BUMPUS MILLS, *Tenn.*

Mr. SHIELDS. Mr. President, I have heard the statement made by my colleague [Mr. MCKELLAR] concerning the comments of the Senator from Illinois [Mr. SHERMAN] upon the Attorney General, and his action in dismissing Mr. Campen, assistant district attorney at Nashville, Tenn., for what he considered improper conduct in connection with the case of Maj. E. B. Stahlman, and I can add little to what he has so well said.

I have personal knowledge of what facts were submitted to the Attorney General and upon which he held that Maj. Stahlman was not an alien enemy and required to register under the proclamation of the President, but a duly naturalized American citizen, and have seen the correspondence between him and Mr. Campen, and my colleague has stated them correctly.

Maj. Stahlman came to the city of Washington on business of a public nature just previous to the time alien enemies were required to be registered. While here he told me that his status as a citizen was being agitated and misrepresented by some parties in Nashville, and submitted to me the facts in regard to his birth, emigration to West Virginia, then a part of Virginia, with his father and mother, the subsequent death of his father, the remarriage of his mother, and the subsequent naturalization of his stepfather, Mr. Harnish, while he

was yet a minor, and a certified copy of the record of the naturalization of Mr. Harnish. I had no doubt, upon the facts given me, but that he was an American citizen, but suggested to him that the best way to have the matter settled and forestall all efforts to harass him was to submit the facts to the Department of Justice and have his status finally determined.

He believed he was a duly naturalized American citizen and was conscious of his loyalty to our Government and did not want to be misrepresented. I had him then make out a statement of the facts not appearing of record and transmitted them to the Department of Justice with a request for an opinion upon them. That statement was made in my office here in Washington, in the absence of papers and family records of Maj. Stahlman. The Attorney General was of the opinion, as stated in the letter read by Senator McKELLAR, that upon those facts Maj. Stahlman was a duly naturalized American citizen, and not an alien enemy.

Immediately after Maj. Stahlman went home, which was in a few days, he wrote me that there were some inaccuracies in dates and names in the statement he had prepared in my office, and which I had transmitted to the Department of Justice, and inclosed a corrected statement which, upon his request, I filed with the Department of Justice. The corrections were wholly immaterial and did not change the legal aspects of the case.

There was no question of loyalty or disloyalty discussed or involved, the sole inquiry being whether Maj. Stahlman was an alien enemy or a naturalized American citizen. When the *Lusitania* was sunk, I believe a flagrant and just cause of war against Germany existed, and have held to that opinion ever since. I voted for the declaration of war against Germany, and for every measure that President Wilson had advised and the Congress has enacted into law for the vigorous prosecution of the war; and have been familiar with the war spirit in Tennessee, and the attitude of our public men in regard to it from the day the declaration of war was made. Maj. Stahlman in his paper, the Nashville Banner, came out strong for America and against Germany, promptly, and, as I remember, immediately urged all the force of the Banner capable of bearing arms to volunteer, promising to pay their dependents one-half of their salaries while absent in the service of their country, and I understand that every member of his family within the military age is now in the Army.

I believe that if there had been any question of Maj. Stahlman's loyalty and patriotism, I would have known it, and such a thing did not occur to me when I submitted the facts relating to his citizenship to the Department of Justice. He has long been one of the most prominent and influential citizens of Nashville and of Tennessee, and has always taken a leading and active part in everything that tended to the upbuilding of the city and State; and, as evidenced by the almost unanimous voice of the press of the State, when he was attacked as an alien enemy by the Tennesseean and American, has the confidence and good will of the majority of his fellow citizens. When I received the letter of the Attorney General, to which I have referred, I mailed it, as I now remember, to Maj. Stahlman, and heard nothing more of the matter until my attention was called to a communication in the Tennesseean and American purporting to be from Washington, to the effect that the Department of Justice had given out an opinion that Maj. Stahlman was an alien enemy, followed by an interview of Mr. Campen, the assistant district attorney, extolling the loyalty and patriotism of Maj. Stahlman. I called up someone at the Department of Justice and asked what the communication to the Tennesseean and American meant, but no one there knew anything about it, and I was informed that no such information had been given out to anyone. Of all of which I informed Maj. Stahlman. The next thing I heard of the case was that Mr. Campen had been removed, and Mr. Littleton appointed in his place, which I learned from Nashville newspapers. If Maj. Stahlman had any connection with the removal of Mr. Campen I do not know it, and I have no reason to believe that he made any effort to remove him.

The Attorney General has informed me that the removal was made for the good of the service growing out of the conduct of Mr. Campen in connection with the Stahlman case, wherein he displayed bitterness and extreme partisanship that unfitted him for the position. I know of no facts connected with this case which warrant the charge or inference that Mr. Campen was removed for desiring to prosecute Maj. Stahlman for disloyalty, nor do I know of anything connected with the case tending to show that the Attorney General favored or desired to favor Maj. Stahlman in the investigations that were made. The facts submitted to him have not been successfully controverted, and upon them the opinion given by him was unquestionably sound. I was not present when the Senator from Illinois referred to this matter in his speech last Friday and knew nothing about it until after the Senate had adjourned, when I was informed of it by my colleague, who stated that he had obtained his information from Senator WALSH. I was engaged that evening working upon the passport bill, which was then pending before the Judiciary Committee and to-day passed by the Senate. Had I been present, I would have given the facts as I have here stated them, which I believe fully exonerate the Attorney General from any suspicion of failure to discharge his duties, and Maj. Stahlman from the charge of disloyalty. I do not believe that the distinguished Senator from Illinois would have made the unfavorable comments contained in his speech as it appears in the RECORD this morning if he had been in possession of the facts and not been misled by some designing persons who are hostile to Maj. Stahlman and desired to injure him by unfounded insinuations of disloyalty, even to the extent of misrepresenting and traducing the Attorney General of the United States.

Mr. McKELLAR. Mr. President, I omitted to say, in addition, that Maj. Stahlman has one or two—I do not know which—grandsons in the Army now. I omitted also another matter of very considerable importance. The Senator from Montana [Mr. WALSH] is present, and, inasmuch as my statements have been questioned, I should like to ask the Senator if I am correct in the statement that I have made as to what took place in this Chamber on last Friday when the speech was made by the Senator from Illinois [Mr. SHERMAN], which is published in to-day's RECORD.

Mr. WALSH. Mr. President, "the very head and front of my offending" in this matter "hath this extent, no more"——

Mr. McKELLAR. Will the Senator yield to me to say that he has not offended at all, so far as I am concerned?

Mr. WALSH. I appreciate that.

Mr. McKELLAR. I thank him for having taken the part of the Attorney General of the United States under the circumstances; and I say to him that, in my judgment, the Attorney General of the United States deserved his attitude in the matter on that day.

Mr. WALSH. I was sitting in the gallery with a lady friend when the Senator from Illinois [Mr. SHERMAN] made his reference to the matter which has given rise to this discussion. As I recall, he stated that the removed assistant district attorney had represented in some way—I think, perhaps, through the public press—that he had been removed because he was too active in the prosecution of persons charged with disloyalty. Feeling that that was in a way at least an unjust insinuation against the Attorney General, I came to the floor and simply asked the Senator from Illinois if he had seen the statement made in the public press to the effect that the assistant district attorney was removed because he had not been sufficiently vigorous in the prosecution of persons charged with disloyalty and other similar crimes.

It is needless for me to say that I was not prompted in the action that I took by the junior Senator from Tennessee [Mr. McKELLAR] or by the senior Senator from Tennessee [Mr. SHIELDS] or anyone else. I usually act upon my own impulse and motion when I address the Senate. The junior Senator from Tennessee [Mr. McKELLAR] is quite right in his statement that he was not in the Chamber at the time at all, and apparently knew nothing about the incident until I told him about it in the lobby.

I might say the same with respect to the senior Senator from Tennessee [Mr. SHIELDS]. I have no recollection of seeing that Senator in the Chamber; and I have never talked to him about the matter, even, until this day.

EXECUTIVE SESSION.

Mr. BANKHEAD. I desire to ask the Senator from Ohio if he intends to go on any further this evening with the bill he has in charge?

Mr. POMERENE. No. I was going to move, in the absence of the Senator from Alabama, that the Senate adjourn.

Mr. BANKHEAD. I asked the question because I want to have a short executive session before we adjourn.

Mr. POMERENE. Very well.

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

The motion was agreed to, and the Senate proceeded to the consideration of executive business. After five minutes spent in executive session the doors were reopened, and (at 5 o'clock and 42 minutes p. m.) the Senate adjourned until to-morrow, Friday, May 10, 1918, at 12 o'clock meridian.

NOMINATIONS.

Executive nominations received by the Senate May 9, 1918.

CONSUL GENERAL.

Ernest L. Harris, of Illinois, formerly a consul general of class 5, assigned to Stockholm, to be a consul general of class 5 of the United States of America.

PROMOTIONS IN THE ARMY.

VETERINARY CORPS.

To be veterinarians with rank from January 27, 1918.

Asst. Veterinarian Charles H. Jewell.
Asst. Veterinarian William A. Sproule.

CONFIRMATIONS.

Executive nominations confirmed by the Senate May 9, 1918.

ASSISTANT ATTORNEY GENERAL.

H. LaRue Brown to be Assistant Attorney General.

UNITED STATES MARSHALS.

Henry A. Skeggs to be United States marshal, northern district of Alabama.

Christopher C. Gewin to be United States marshal, southern district of Alabama.

TRANSFER TO THE ACTIVE LIST OF THE ARMY.

INFANTRY.

Capt. George L. Byroade to be major.

TEMPORARY PROMOTIONS IN THE ARMY.

INFANTRY.

To be colonel.

Lieut. Col. George L. Byroade.

To be lieutenant colonels.

Maj. Fred W. Bugbee, and
Maj. George L. Byroade.

To be major.

Capt. Fred W. Bugbee.

APPOINTMENTS AND PROMOTIONS IN THE NAVY.

Lieut. Charles M. Austin to be a lieutenant commander.

The following-named lieutenants (junior grade) to be lieutenants:

Charles M. Cooke, jr.,
Mervyn S. Bennion,
Walter E. Brown,
Chester C. Jersey,
Earle C. Metz,
Frederick C. Sherman,
Josiah O. Hoffman, jr.,
John L. Riheldaffer,
Alfred Y. Lanphier,
George L. Dickson,
Scott B. Macfarlane,
Earl W. Spencer, jr.,
Roger W. Paine,
Lybrand P. Smith,
William E. Baughman,
Howard S. Jeans,
Edward B. Lapham,
Cecil Y. Johnston,
Everett D. Capehart,
Joseph L. Nielson,
Frank C. McCord,
Ames Loder,
John W. Reeves, jr.,
Guysbert B. Vroom,
Glenn F. Howell,
Sherwood Picking,
Francis M. Collier,
William F. Callaway,
Harrison R. Glennon,
Ralph E. Dennett,
Charles G. McCord,
William J. Butler,
Robert H. English,
Carroll Q. Wright, jr., and
James G. B. Gromer.

Ensign Hervey A. Ward to be a lieutenant (junior grade).

Surg. Albert J. Geiger to be a medical inspector with the rank of commander.

Civil Engineer De Witt C. Webb to be a civil engineer with the rank of commander.

Boatswain James J. Joyce to be a chief boatswain.

Machinist Albert A. Hooper to be a chief machinist.

Lieut. William C. Faus to be a lieutenant commander for temporary service.

Lieut. Radford Moses to be a lieutenant commander for temporary service.

Lieut. (Junior Grade) Clifton E. Denny to be a lieutenant for temporary service.

Lieut. (Junior Grade) Theodore F. C. Walker to be a lieutenant for temporary service.

Carpenter Daniel Campbell to be an ensign for temporary service.

The following-named temporary warrant officers to be ensigns for temporary service:

Roy Childs,
George H. Toepfer,
Henry J. Behrends,
Hardy M. James,
William H. Meyer,
Will F. Roseman,
Joseph A. Ouellet,
Howard E. Haynes,
Gustav A. C. Leutritz,
Thomas Noland,
Walter A. Krueck,
Leo J. Sutton,
John B. Manghan,
Alexander O. Schory,
Luther C. Crow,
Jesse G. McFarland,
Simon P. Swynenburg,
Joie C. Wilkins,
John Reid,
Charles R. Shaw,
James C. Humphrey,
Patrick J. Sullivan,
John J. Coogan, and
Herbert A. Anderson.

The following-named enlisted men to be ensigns for temporary service:

William G. Burgess,
Arthur E. Le Gros,
William E. Bringhurst,
Robert E. Dwyer,
Leland C. Poole,
Chester C. Rounds,
Herbert J. Wiker,
George W. Brown,
John Cusick,
Clarence E. Beach,
Claudius G. Pendill,
John M. O'Neil,
John S. Danner,
John P. Dix,
Glenn F. Hulse,
Robert E. Davenport,
Ralph B. Raymond, jr.,
Louis Verbrugge,
Raymond L. Morrissey,
Walter Hansen,
George W. Adams, and
Rudolf Winzer.

The following-named ensigns of the United States Naval Reserve Force to be ensigns for temporary service:

Charles J. Ingersoll,
Albert J. Courtney, and
Edward J. Bermingham.

Ensign Jay B. Coon, of the National Naval Volunteers, to be an ensign for temporary service.

The following-named pharmacists to be assistant surgeons, with the rank of lieutenant (junior grade), for temporary service:

James A. Winterbottom,
John Haupt,
Charles E. Reinhardt,
Robert E. Weaver,
Charles Schaffer,
Thomas A. Stareck,
Paul V. Tuttle,
Carl A. Setterstrom,
James Holden,
Fred A. Payne,
Thomas E. Kent,
Henry L. Gall,
Allen F. Bigelow,
Tobais B. Weaver,
Paul F. Dickens,

Henry C. Kellers,
Albert H. Benhard,
Charles F. Wood,
Edward G. Dickinson,
Roy Aikman,
Jason H. Barton,
Edwin G. Swann,
William T. Gildberg,
Thomas J. Murphy,
John H. Schreiter,
Lawrence Zembsch,
Joseph A. Ortolan,
Abraham T. Schwartz,
Joseph C. Gill,
Alexander J. Link,
DeWitt C. Allen,
Samuel J. Seckelman,
Fred H. Stewart,
Ervin C. Eastman,
Walter W. Wade,
William M. Benton,
Henry B. Schreurs,
Loring Nottingham,
Harold B. Sanford,
Corliss P. Dean,
Nord F. Smith,
Clyde E. Snider,
Glen D. Sipe,
Benjamin W. Claggett,
Edgar L. Sleeth,
Jeremiah Harris,
Rodney J. Youngkin,
Walter H. MacWilliams,
Roscoe C. Rowe,
Willie R. Joiner,
George L. Crain,
Paul Hapke,
Leon H. French,
Lloyd C. Sims,
Edwin R. McColl,
Newton W. Parke,
Harry G. Danilson,
Charles P. Hines,
Edward G. Dennis,
Stanley J. Kinkaid,
William T. Minnick,
Robert R. Hinnant,
John G. Baisch,
Herman C. Roe,
Charles Peek, and
Boyce L. Brannon.

The following-named pay clerks to be assistant paymasters with the rank of ensign for temporary service:

Samuel I. Marks,
Walter E. Brown, and
Harry E. Gross.

POSTMASTERS.

NEBRASKA.

Edwin S. Updike, Chappell,
Lottie L. Colby, Marquette.
C. Earl Steuteville, Bridgeport.

NEW YORK.

John Chester Jubin, Lake Placid Club.
Alfred G. Tucker, Minetto.
William F. Winterbotham, Old Forge.
James H. Butler, Scottsville.

HOUSE OF REPRESENTATIVES.

THURSDAY, *May 9, 1918.*

The House met at 12 o'clock noon.

The Chaplain, Rev. Henry N. Couden, D. D., offered the following prayer:

We thank Thee, our Father in heaven, that through the wide-world contest and the terrible conditions resulting therefrom men are finding their souls and being brought nearer to Thee, through a deeper, broader, and more abiding faith; that religion is stirring the hearts of men as never before.

Sectarianism, creeds, dogmas, wild speculations about the future are diminishing through a more rational view of life and its far-reaching purposes.

Never was there a time when the sympathy of men was more widely spread, as evidenced by charity, philanthropy, patriotism, self-sacrifice, which are moving men toward the Hill of Calvary. Grant, we beseech Thee, that the hallowed work may continue till all hearts shall be purified, glorified, and an everlasting peace bless the world and hallow Thy name, in the spirit of the Master. Amen.

The Journal of the proceedings of yesterday was read and approved.

THIRD LIBERTY LOAN.

Mr. LANGLEY. Mr. Speaker, I ask unanimous consent to address the House for two minutes.

The SPEAKER. Is there objection?

There was no objection.

Mr. LANGLEY. Mr. Speaker, I have received information from the mountains of Kentucky, where the spirit of true liberty and patriotism always dwells [applause], and where the conscription law at the time of its enactment was not very popular, that in every city, town, and county the third liberty loan has been largely oversubscribed, and in some instances several times over. I have not yet received the complete reports from the tenth congressional district, which I have the honor to represent in this body, but the reports I have received show large oversubscriptions. Paintsville and Prestonsburg, on the Big Sandy, have both largely exceeded their quotas. The city of Hazard, of public-building fame [applause], has oversubscribed its quota more than 150 per cent. My home city of Pikeville, which probably many of you remember in the same connection [applause], and the city of Whitesburg, and Letcher County, in which it is located, have oversubscribed their respective quotas by 300 per cent. [Applause.]

I read the following telegrams which I have received:

HAZARD, KY., *May 9, 1918.*

Hon. JOHN W. LANGLEY,
Washington, D. C.:

Perry County subscribed $165,700 third liberty loan, which is over 50 per cent in excess of allotment. More than 1,100 persons bought bonds.

J. B. HOGE.

[Applause.]

HAZARD, KY., *May 9, 1918.*

Hon. JOHN W. LANGLEY,
Washington, D. C.:

Perry County 50 per cent over quota third liberty loan.

HAZARD HERALD.

[Applause.]

WHITESBURG, KY., *May 9, 1918.*

Hon. JOHN W. LANGLEY,
Washington, D. C.:

Whitesburg fully exceeds treble its quota of $55,000. Letcher County exceeds treble its quota, over $80,000. Perry County exceeded its quota about $50,000.

D. I. DAY.

[Applause.]

PAINTSVILLE, KY., *May 9, 1918.*

Hon. JOHN W. LANGLEY,
Washington, D. C.:

All eastern Kentucky counties subscribed full quota and many over. Johnson 30 per cent over.

JOHN E. BUCKINGHAM.

[Applause.]

PIKEVILLE, KY., *May 9, 1918.*

Hon. JOHN W. LANGLEY,
Washington, D. C.:

Pikeville exceeds its quota third liberty loan fully 500 per cent, and entire county largely in excess.

FON ROGERS.

[Applause.]

Mr. Speaker, I have other reports, which I shall not take the time to read, which indicate that in the mountain sections of Kentucky, Tennessee, Virginia, West Virginia, and, indeed, throughout that entire mountain region, the people are rallying to the support of the Nation's flag, as they have always done throughout the history of the Republic. [Applause.]

PENSIONS.

Mr. GALLIVAN, from the Committee on Appropriations, reported the bill (H. R. 12000) making appropriations for the payment of invalid and other pensions of the United States for the fiscal year ending June 30, 1919, and for other purposes, which was read a first and second time, and, with the accompanying report (No. 543), ordered printed and referred to the Committee of the Whole House on the state of the Union.

Mr. KAHN. Mr. Speaker, I reserve all points of order.

The SPEAKER. The gentleman from California reserves all points of order.

MOTHERS' DAY.

Mr. HUTCHINSON. Mr. Speaker, I ask unanimous consent for the present consideration of the House concurrent resolution which I send to the desk and ask to have read.

The SPEAKER. The gentleman from New Jersey asks unanimous consent for the present consideration of the concurrent resolution (No. 40), which the Clerk will report.