

us in the prime of his faculties and the plentitude of his usefulness. Death has bereft us of his presence. Death can not bereave his family, his friends, or his country of the high service he rendered nor of the tender memories his manly personality inspired.

While North Dakota's soil would have been proud to have guarded his last mortal remains it was fitting that after life's duties nobly done he should have been taken home to the green hillsides of beautiful Winneshiek County, Iowa, where he first saw the light of day. We laid him to rest near the home of his boyhood, where he first met, loved, and won the good wife with which God so blessed his life, and of whom he was so justly proud. He sleeps where hardy Norsemen and their descendants have made with their toil and their intelligence a paradise out of once wild prairie lands. He sleeps near the shadows of famed Luther College, an institution of learning which I know he admired greatly. He sleeps the last long sleep, as he wished to sleep it, on a wonderfully beautiful hillside overlooking the quiet but charming little city of Decorah, where it can be truly said health, happiness, and contentment cheer all who labor there.

With hearts full of sorrow we can truly say of him the best that can be said of any man—the world is better because he lived in it.

Mr. NORTON resumed the chair.

Mr. YOUNG of North Dakota. Mr. Speaker, I ask unanimous consent that all Members shall have five days within which to extend their remarks upon the life, character, and public services of the late HENRY T. HELGESEN.

The SPEAKER pro tempore. The gentleman from North Dakota [Mr. Young] asks unanimous consent that all Members have five days in which to extend their remarks upon the life, character, and public services of the late HENRY T. HELGESEN. Is there objection? [After a pause.] The Chair hears none.

Under the special order for the day the House now stands adjourned until 12 o'clock noon to-morrow.

#### ADJOURNMENT.

Accordingly (at 1 o'clock and 10 minutes p. m.) the House adjourned until to-morrow, Monday, March 11, 1918, at 12 o'clock noon.

### SENATE.

MONDAY, March 11, 1918.

(Legislative day of Friday, March 8, 1918.)

The Senate met at 12 o'clock meridian.

#### EXEMPTION OF HAROLD STEINFELT FROM ARMY.

Mr. SMITH of Arizona. Mr. President, I beg the indulgence of the Senate at this time for a moment to make a statement in the nature of personal explanation, if not of privilege. There is a young man in my town, Mr. Harold Steinfelt, within the draft age and who has stood a physical examination and has been favorably passed on more than once by the local board. Mr. Steinfelt's father is the owner and manager of a large mercantile business and is reputed to be a man of great wealth. The local board passing on young Steinfelt's claim for exemption as manager of this mercantile business refused to grant the exemption. Appeals were taken, and at this end of the line great influences from prominent men outside of Arizona have been attempted to save him from serving his country in this time of its dire necessity.

I have received many letters of protest against Mr. Steinfelt's evasion of the draft and charges that I have been instrumental in keeping him out of the Army. Such accusations are utterly false. On the contrary, I have told Gen. Crowder and the Assistant Secretary of War that I could see no reason why Mr. Steinfelt should avoid the draft any more than dozens of other young men from Arizona, who are now in the Army under the draft and are giving that loyal service which our country expects from its able-bodied young men. I merely make this statement thus publicly so as to silence the misrepresentations being made against me at home by persons whose motives for the circulation of such falsehoods are, of course, unknown to me. I hope it may never justly be said that any man can avoid the performance of his duty to his country by reason of his wealth or all influence that can be brought to bear in favor of his evasion of duty.

#### ESTIMATE OF APPROPRIATION (S. DOC. NO. 195).

The PRESIDENT pro tempore laid before the Senate a communication from the Secretary of the Treasury, transmitting a supplemental estimate of appropriation in the sum of \$13,500

required by the Public Health Service for the fiscal year 1918, which, with the accompanying paper, was referred to the Committee on Appropriations and ordered to be printed.

#### DISTRICT STREET RAILWAYS (S. DOC. NO. 197).

The PRESIDENT pro tempore laid before the Senate a communication from the Public Utilities Commission of the District of Columbia, transmitting, in response to a resolution of the 11th ultimo, certain information relative to the street car situation in the city of Washington, D. C., which, with the accompanying papers, was referred to the Committee on the District of Columbia.

Mr. JONES of Washington subsequently said:

Mr. President, at the opening of the session to-day the report of the Public Utilities Commission of the District of Columbia, in response to a resolution of the Senate with reference to street car conditions in the city of Washington, was laid before the Senate, and, as I understand, was referred to the Committee on the District of Columbia, but there was no order made with reference to its printing. I ask that it be printed and referred to the Committee on the District of Columbia.

The PRESIDENT pro tempore. Is there objection? The Chair hears none, and it is so ordered.

Mr. SMOOT. Mr. President, I will call the attention of the Senator from Washington to the fact that I notice there are illustrations in the report, and in order that they may be printed, it will be necessary to have an order of the Senate. I therefore ask that the Public Printer be authorized to print the illustrations in the report.

The PRESIDENT pro tempore. Unanimous consent has just been given to print the report and accompanying illustrations.

#### PETITIONS.

Mr. COLT presented a petition of the Typographical Union of Providence, R. I., praying for an increase in the pensions of veterans of the Civil War, which was referred to the Committee on Pensions.

Mr. PHELAN presented a resolution adopted by the Chamber of Commerce of San Francisco, Cal., favoring the principle of the adoption of an adequate system of military highways on the Pacific Coast as a means of defense, which was referred to the Committee on Military Affairs.

Mr. FRELINGHUYSEN presented a petition of the New Jersey Branch of the National Woman's Party, of Montclair, N. J., praying for the submission of a Federal suffrage amendment to the legislatures of the several States, which was ordered to lie on the table.

He also presented a petition of William McKinley Post, No. 18, Grand Army of the Republic, Department of New Jersey, of Vineland, N. J., praying for an increase in the pensions of veterans of the Civil War, which was referred to the Committee on Pensions.

#### PAY OF GOVERNMENT EMPLOYEES.

Mr. MARTIN. On February 16 the bill (S. 3878) to fix the compensation of certain employees of the United States was referred to the Committee on Appropriations. I move that the Committee on Appropriations be discharged from the further consideration of the bill and that it be referred to the Committee on Education and Labor.

The motion was agreed to.

#### BILLS INTRODUCED.

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

By Mr. PENROSE:

A bill (S. 4069) granting an increase of pension to William Mercer;

A bill (S. 4070) granting an increase of pension to Samuel M. Fullerton; and

A bill (S. 4071) granting a pension to Leontine Cremerieux; to the Committee on Pensions.

By Mr. PHELAN:

A bill (S. 4072) granting an increase of pension to Bethuel H. Brasted (with accompanying papers); to the Committee on Pensions.

By Mr. COLT:

A bill (S. 4073) granting a pension to John E. King (with accompanying papers); to the Committee on Pensions.

#### AMENDMENT TO LEGISLATIVE APPROPRIATION BILL.

Mr. JONES of Washington submitted an amendment relative to the reorganization of the clerks and messengers to the committees of the Senate, intended to be proposed by him to the legislative, etc., appropriation bill, which was referred to the Committee on Appropriations and ordered to be printed.

## INDEPENDENT HARVESTER CO.

Mr. GORE. I ask unanimous consent to offer a resolution, and I ask for its consideration.

The PRESIDENT pro tempore. The resolution will be read. The resolution (S. Res. 212) was read, as follows:

*Resolved*, That the Federal Trade Commission be directed to investigate and report to the Senate as to the organization, conduct, financial status, and methods of the Independent Harvester Co., Plano, Ill., also as to the pending receivership and proposed reorganization as to said company, and also as to the disposition of its assets and stocks of implements, etc., on hand.

The PRESIDENT pro tempore. Is there objection to the present consideration of the resolution?

Mr. THOMAS. I should like to inquire of the Senator who offered the resolution what the basis of it is? So many investigations are being ordered that I think before they are concluded we will have forgotten all about them.

Mr. GORE. Mr. President, in reply to the Senator I will say that an independent harvester company was organized several years ago. Farmers were solicited and urged to take stock in it. It was to compete with the International Harvester Co. and other companies supposed to constitute a trust or a sort of federation of harvester companies.

In my own State, for instance, some two hundred thousand dollars of stock was sold to farmers as an independent concern. It is now passing into a receivership, and the proposition has been made to the farmers to take common stock to the amount of 50 per cent of the stock they now hold and make a cash payment of 20 per cent, which will be preferred stock. I am anxious to know the genesis of this dissolution or receivership proceeding. In other words, I want to know whether the trust has been squeezed out or whether the failure has been due to mismanagement.

The PRESIDENT pro tempore. Is there objection to the present consideration of the resolution?

Mr. SMOOT. Does the Senator from Oklahoma have any idea that the failure has come about other than by mismanagement?

Mr. GORE. I do not know. I know the impression prevails that new enterprises have been strangled or suffocated by older ones. I do not know that that is true in this case. It has seemed to me that farmers ought to be encouraged to embark in enterprises for the manufacture of implements they use and even in the manufacture of cotton from the raw material that they produce. It has seemed to me that if we can have light on this subject it would be worth while, and there can be no possible objection to it.

Mr. SMOOT. I am not going to object. I simply want to say to the Senator I think after the investigation is made it will be found that it is due to lack of management. The same has happened in thousands of cases in the past.

Mr. GORE. That may be true.

The PRESIDENT pro tempore. Is there objection to the present consideration of the resolution?

The resolution was considered by unanimous consent and agreed to.

## WOMAN SUFFRAGE.

Mr. SMITH of South Carolina. I ask unanimous consent to have inserted in the RECORD, at the request of my colleague [Mr. TILLMAN], a short explanation by a lady who seems to have been misrepresented in the speech of some one in reference to her attitude toward woman suffrage. My colleague is absent, and I ask that this explanation be inserted in the RECORD.

The PRESIDENT pro tempore. Is there objection? The Chair hears none, and it is so ordered.

The matter referred to is as follows:

[South Carolina Equal Suffrage League. Mrs. Harriet P. Lynch, Cheraw, president; Mrs. John Gary Evans, Spartanburg, first vice president; Mrs. Julian B. Selley, Aiken, second vice president; Mrs. Henry Martin, Columbia, recording secretary; Mrs. James Thornton Gittman, Columbia, corresponding secretary; Mrs. Leroy Springs, Lancaster, treasurer; Mrs. Walter E. Duncan, Aiken, auditor. Committees: Mrs. Walter H. Cobb, Union, education; Mrs. W. C. Cathart, Columbia, legislation and congressional; Mrs. Thomas I. Charles, Conestee Mills, Greenville, finance; Mrs. A. C. Hammond, Columbia, press; Mrs. H. A. Workman, Newberry, membership.]

"It is not only to tell you of the 'great expectations' we suffragists entertain that I am writing to you; it is also to ask you to right a wrong that was done me, as representative of the South Carolina suffragists, by one of the Congressmen when the vote on the amendment was taken in the House last month.

"That Representative read into the House records as expressing my present sentiments on the method of securing suffrage in South Carolina a letter or a statement from me which was at least two years old. Two years ago I hoped we would get suffrage

through our State legislature and said so. This letter was read last month by one of our Congressmen in spite of the fact that the press repeatedly announced that the State suffrage league, after its annual convention in October, had decided to indorse the Federal amendment as a war measure; in spite of the fact that he was present at the conference of December 12, which was to have met in your office but was transferred to Senator SWANSON'S, in which I asked for the women of the State the vote of every Congressman for the amendment; in spite of the fact that he had received telegrams from the league making the same request; and in spite of the fact that he received a personal wire from me asking that he vote for the amendment.

"This willful misrepresentation makes me very indignant and also places me in a very equivocal position, both personally and as president of the State suffrage league.

"Will you not read into the Senate record, when the amendment is considered, a true record of our position on this amendment? Will you not state that the suffragists of South Carolina at their annual convention last October passed an emphatic resolution announcing their indorsement of the Federal amendment as a war measure and their determination to work for it, and that in pursuance of this policy every Representative and Senator from South Carolina has been requested through the press, through petitions from representative men and women, through personal interviews and personal telegrams to vote for the amendment when it should come up for consideration during the present session of Congress?

"In making this request I am sure that I will not appeal in vain to your sense of justice and fair play.

"Yours, respectfully,

"HARRIET P. LYNCH,

"President South Carolina Equal Suffrage League."

G. H. BECKWITH.

Mr. CURTIS submitted an amendment intended to be proposed by him to the bill (S. 3391) to authorize the Secretary of the Interior to issue patent to G. H. Beckwith for certain land within the Flathead Indian Reservation, Mont., which was ordered to lie on the table and be printed.

JOSEPHINE W. BRECKONS.

Mr. WARREN submitted the following resolution (S. Res. 213), which was referred to the Committee to Audit and Control the Contingent Expenses of the Senate:

*Resolved*, That the Secretary of the Senate be, and he hereby is, authorized and directed to pay from the miscellaneous items of the contingent fund of the Senate to Josephine W. Breckons, widow of Joseph A. Breckons, late clerk to the Committee on Engrossed Bills of the United States Senate, a sum equal to six months' salary at the rate he was receiving by law at the time of his death, said sum to be considered as including funeral expenses and all other allowances.

ADDRESS BY SENATOR THOMPSON (S. DOC. NO. 196).

Mr. HOLLIS. Mr. President, I ask that an address delivered by the senior Senator from Kansas [Mr. THOMPSON] at the banquet of the Kansas Democratic Club, Topeka, Kans., February 22, 1918, be printed as a public document.

The PRESIDENT pro tempore. Is there objection? The Chair hears none, and it is so ordered.

## CASUALTY LISTS OF AMERICAN EXPEDITIONARY FORCES.

Mr. SMITH of South Carolina. I move that the Senate proceed to the consideration of the conference report on the disagreeing votes of the two Houses upon Senate bill 3752.

Mr. NEW. May I ask the Senator if he will suspend for a moment?

Mr. SMITH of South Carolina. I yield to the Senator.

Mr. NEW. On Saturday I sent a resolution to the desk calling on the War Department for certain information. I desire to move now that that resolution be referred to the Committee on Military Affairs for a little investigation of the subject to which it refers.

In this connection, Mr. President, I would merely like to say a word or two. I have no disposition at any time to question an order of the War Department, but this resolution (S. Res. 211) relates to an order that was issued on Saturday which called for the withholding of the names and addresses of the next of kin of American soldiers killed in France. It has occasioned a great many telegrams from people back home. I have had a number myself and I know other Senators have had them.

I think, under the circumstances, considering the fact that the newspapers convey an announcement that the order is issued at the request of Gen. Pershing, there ought to be some investigation, probably before it is acted upon at all, and I therefore request that the resolution be referred to the Committee on Military Affairs for investigation.

The PRESIDENT pro tempore. Without objection, that reference will be made.



Mr. KELLOGG. In connection with the same matter I have a telegram which is in the nature of a memorial from the editor of the Tribune, of Minneapolis, Minn., bearing upon the same question, which I should like to present and have referred to the Committee on Military Affairs.

The PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. KENYON. I have a telegram from Des Moines, Iowa, on the same subject which I should like to have referred to the Committee on Military Affairs.

The PRESIDENT pro tempore. It will be so referred.

#### RAILROAD CONTROL—CONFERENCE REPORT.

Mr. SMITH of South Carolina. I renew my motion that the Senate proceed to the consideration of the conference report on the disagreeing votes of the two Houses on Senate bill 3752.

Mr. FRELINGHUYSEN. Mr. President, it is with great reluctance that I find it necessary to object to the consideration of this report, because under section 15—

Mr. JONES of Washington. Mr. President, I raise the point of no quorum.

The PRESIDENT pro tempore. The Secretary will call the roll.

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

Ashurst	Johnson, Cal.	Overman	Sterling
Baird	Johnson, S. Dak.	Page	Stone
Bankhead	Jones, Wash.	Phelan	Sutherland
Beckham	Kellogg	Pol Dexter	Swanson
Colt	Kendrick	Pomerene	Thomas
Culberson	Kenyon	Ransdell	Thompson
Curtis	King	Reed	Townsend
Dillingham	Kirby	Robinson	Trammell
Fletcher	Knox	Saulsbury	Underwood
France	McCumber	Shafroth	Vardaman
Frelinghuysen	McKellar	Sheppard	Wadsworth
Gallinger	McLean	Sherman	Walsh
Gerry	McNary	Shields	Warren
Gore	Martin	Smith, Ariz.	Williams
Gronna	Myers	Smith, Md.	Wolcott
Hale	New	Smith, Mich.	
Hardwick	Norris	Smith, S. C.	
Hollis	Nugent	Smoot	

Mr. McNARY. I desire to announce the absence of my colleague [Mr. CHAMBERLAIN] on account of illness. I ask that this announcement may stand for the day.

Mr. BECKHAM. I wish to announce that my colleague [Mr. JAMES] is absent on account of illness. I will let the announcement stand for the day.

Mr. GRONNA. I desire to announce that the Senator from Wisconsin [Mr. LA FOLLETTE] is absent, due to illness in his family. I ask that this announcement may stand for the day.

Mr. SUTHERLAND. The senior Senator from West Virginia [Mr. GOFF] is absent owing to illness. I ask that this announcement may stand for the day.

The PRESIDENT pro tempore. Sixty-nine Senators have answered to their names. There is a quorum present. The Senator from South Carolina has moved that the Senate proceed to the consideration of the conference report on Senate bill 3752.

Mr. FRELINGHUYSEN. I make a point of order against the conference report under rule 27, which was recently amended by the Senate.

The PRESIDENT pro tempore. The Chair will state to the Senator from New Jersey that the report has not yet come up for consideration. After the report is brought up a point of order may be made against it. The question is on the motion of the Senator from South Carolina to proceed to the consideration of the conference report.

The motion was agreed to, and the Senate proceeded to consider the report of the committee of conference on the disagreeing votes of the two Houses on the bill (S. 3752) to provide for the operation of transportation systems while under Federal control, for the just compensation of their owners, and for other purposes.

Mr. FRELINGHUYSEN. Mr. President, I send to the desk the rule as amended by the Senate a few days ago, and I make a point of order against the conference report under that rule on the ground that the conferees inserted new matter in the bill. The conference report contains the new matter inserted, and it can be found on page 3507 of the CONGRESSIONAL RECORD.

There was an amendment introduced and passed by the Senate in the bill which provided, in section 15, "That nothing in this act shall be construed to amend, repeal, impair, or affect the existing laws or powers of the States in relation to taxation."

The bill as passed by the House contained a similar provision, and it went to conference with those two sections reconciled and agreed. The conference report inserted the following:

*Provided, however,* That no State or subdivision thereof, or the District of Columbia, shall levy, assess, or collect an amount of taxes from railroad property within the State or subdivision thereof, or the Dis-

trict of Columbia, while under Federal control, in excess of the ratio which the taxes derived from railroad property bore to the total taxes of such State or subdivision thereof, or the District of Columbia, for the year previous to Federal control.

Mr. President, the object of the section was to prevent any interference by the Federal Government in the methods employed by the States in their taxation. This practically nullifies that provision. It allows the Federal Government to place a limitation upon the amount of taxation to be imposed by the State. The provision means that the States can not increase their taxation; that if the ratio is increased in the slightest degree the Federal Government can step in and practically nullify any act of the State legislature. In my State we have just passed a highway tax of a quarter of a mill. That levy was placed on December 20 last. If the legislature the coming year should increase that levy of a quarter mill to one-half a mill by legislation, the Federal Government could practically step in and nullify that act of the State.

Mr. POMERENE. Mr. President—

Mr. FRELINGHUYSEN. I yield to the Senator.

Mr. POMERENE. Was the increase of a quarter of a mill or the anticipated increase of a half a mill on railroad property alone, or on all the property of the State?

Mr. FRELINGHUYSEN. "On all of the property of the State."

Mr. POMERENE. If that be true then this amendment will not affect the State of New Jersey. This amendment was only intended for the purpose of preventing discriminations as against railroad property.

Mr. FRELINGHUYSEN. The point I make, Mr. President, is that it practically limits the taxation that the State can impose. Railroad property in New Jersey is a part of New Jersey, and the legislature of that State have a right to impose taxation upon it as they see fit. I knew that this provision was going to be inserted in the bill in conference when we passed the bill. I had a conference with the Secretary of the Treasury before it was inserted, and he stated to me that he did not want the States of the Union taxing the railroads so that it would exhaust the Public Treasury. The taxation by the States which is imposed on property in the States is not only imposed on railroad property, but it is also imposed on the property of private individuals as well. If any excessive taxes were attempted to be imposed upon the people of the State there would be such a protest that it would prevent such legislation. This practically interferes with the rights of the States to tax; it is new matter and is subject to a point of order under the rule which we have adopted, if that rule is of any value and we mean anything by it.

I hesitate to protest at this time against an important measure of this kind, but there is here an interference not only with the taxing power of my State, but with the taxing power of every State in the Union. This bill, therefore, should be sent back to conference, and that clause should be eliminated.

Mr. SMITH of South Carolina. Mr. President, this provision is clearly a compromise between the action of the House and the action of the Senate. It is in no wise new matter. It is what the conference committee considered a fair compromise between two extremes. In section 10 of the bill as passed and agreed to by the conferees it is provided:

SEC. 10. That carriers while under Federal control shall be subject to all laws and liabilities as common carriers, whether arising under State or Federal laws or at common law, except in so far as may be inconsistent with the provisions of this act or any other act applicable to such Federal control or with any order of the President.

That was the Senate provision. That meant that the President of the United States could by Executive order change any and every law of a State which affected railroads under Federal control.

Mr. FRELINGHUYSEN. Mr. President, may I interrupt the Senator from South Carolina?

Mr. SMITH of South Carolina. Yes.

Mr. FRELINGHUYSEN. The President could not do that in the face of the provision as it passed both Houses, because it provides that nothing in this act shall affect taxation by the States.

Mr. SMITH of South Carolina. Well, but there is no provision in the language passed by either branch which refers to taxation, save the clause which the Senate has under consideration. The House of Representatives then inserted this language in the bill:

SEC. 15. That nothing in this act shall be construed to amend, repeal, impair, or affect the existing laws or powers of the States in relation to taxation or the lawful police regulations of the several States, except wherein such laws, powers, or regulations may affect the transportation of troops, war materials, Government supplies, or the issue of stocks and bonds.

And there were certain other limitations. The House took out of the bill the clause relative to the power of the President

under Federal control to effect these matters. The Senate gave him plenary power to effect them.

Mr. HARDWICK. But did not the Senate expressly put in language in another place to the effect that the President could not interfere or impair any taxation by a State?

Mr. SMITH of South Carolina. It did not.

The PRESIDENT pro tempore. The Chair can not hear the debate, and it is important that he should do so in order to properly decide the question.

Mr. SMITH of South Carolina. There was no such provision inserted by the Senate as that stated by the Senator from Georgia.

Mr. HARDWICK. I thought the Senator from New Jersey had cited such a provision.

Mr. SMITH of South Carolina. There is no provision in the bill that the taxing power of a State can not be interfered with.

Mr. FRELINGHUYSEN. Will the Senator from Georgia permit me to make a suggestion?

Mr. HARDWICK. I will state the question again, and then I shall be glad if the Senator will reinforce what I have said.

My understanding is that the bill as passed by the Senate contained the express provision that no Executive order should impair the powers of taxation by a State.

Mr. SMITH of South Carolina. No.

Mr. HARDWICK. The Senator from South Carolina says that is not correct.

Mr. SMITH of South Carolina. All that pertains to taxation is the section which I read, which is section 10.

Mr. HARDWICK. Will the Senator read that section again?

Mr. SMITH of South Carolina. If the Senator from Georgia will listen, he will find what section 10 says. It reads as follows:

SEC. 10. That carriers while under Federal control shall be subject to all laws and liabilities as common carriers, whether arising under State or Federal laws or at common law, except in so far as may be inconsistent with the provisions of this act or any other act applicable to such Federal control or with any order of the President.

Mr. HARDWICK. What is the special provision of the bill about taxation?

Mr. SMITH of South Carolina. There is none in the House bill. They provided in the House bill that it should not affect taxes at all.

Mr. HARDWICK. Did we cut that out?

Mr. SMITH of South Carolina. We modified that; we did not have it in the Senate bill.

Mr. HARDWICK. We struck out what the House bill provided on that subject?

Mr. SMITH of South Carolina. No; we modified the House provision.

Mr. HARDWICK. How was it as we left it?

Mr. SMITH of South Carolina. We first passed the bill, and it then went over to the other House. The House then adopted a substitute, on which we went into conference.

Mr. KNOX. Mr. President—

The PRESIDENT pro tempore. Does the Senator from South Carolina yield to the Senator from Pennsylvania?

Mr. SMITH of South Carolina. I do.

Mr. KNOX. I desire to make an inquiry. As I interpret the language which the Senator from South Carolina has just read, I find no such power in the President to suspend the right of the States to tax railroad property. If the Senator from South Carolina will glance at the clause which he has just read, he will find that it only deals with railroads as common carriers; and no liability of a railroad corporation at common law is subject to taxation. It is subject to taxation because it has property within the State, and the President has only a right to modify the law by his order in so far as they affect railroads as common carriers, not as being subject to taxation.

Mr. SMITH of South Carolina. Mr. President, the construction, as I understand it, which was put upon this matter by the conferees was that we had a coordination there—"all laws and liabilities." It was the intention of those who drafted this bill to cover all laws in the State, whether statutory or common laws, and all liabilities.

Mr. KNOX. But that is qualified, if the Senator will permit me, by the language which says "all laws and liabilities as common carriers"; it is all laws affecting railroads as common carriers and all liabilities to the public that affect them as common carriers; and it has nothing to do with their relation to the taxing power of the States or to anything else, except as common carriers.

Mr. SMITH of South Carolina. The construction which was placed upon it by those who drafted the bill, as well as by the conferees, was to the effect that with the words "or with any order of the President"—it was debated here on the floor of the

Senate—amended that so that the President by Executive order could change all the provisions.

Mr. ROBINSON. Will the Senator yield to me for one moment?

Mr. SMITH of South Carolina. I will.

Mr. ROBINSON. The conference report in the particular stated by the Senator from New Jersey [Mr. FRELINGHUYSEN]—

The PRESIDENT pro tempore. Will the Senator state the section of the bill as it comes from the conferees to which he refers?

Mr. ROBINSON. It is section 15.

The PRESIDENT pro tempore. The Chair desired to be informed as to that.

Mr. ROBINSON. The conference report in the particular objected to by the Senator from New Jersey in the bill—and I ask the attention now of the Senator from New Jersey to the statement I am about to make—in my opinion, is not open to the objection that he has raised. In order to present the matter briefly, I call attention to the fact that the House of Representatives struck out the entire Senate bill and agreed to one amendment in the nature of a substitute for the Senate bill. The rule of the Senate as recently adopted, with reference to the insertion of new matter in conference reports, has long prevailed in the House of Representatives and has been uniformly enforced there.

The construction which that body has placed upon the rule is, in effect, that this provision is not obnoxious to the rule, and I desire to cite in support of that view the following authority:

Where the disagreement is as to an amendment in the nature of a substitute for the entire text of a bill, the managers have the whole subject before them and may exercise a broad discretion as to details. (Hinds' Precedents of the House of Representatives, vol. 5, sec. 6424.)

And further:

Where one House strikes out all of the bill of the other after the enacting clause and inserts a new text, and the differences over this substitute are referred to conference, the managers have a wide discretion in incorporating germane matters, and may even report a new bill on the subject. (Vol. 5, sec. 6421.)

Now, Mr. President, I maintain that these two citations of authority—and they are the decisions of the House of Representatives, where the new Senate rule has long prevailed in practice—are exactly in point.

Mr. GALLINGER. Mr. President—

Mr. ROBINSON. I yield to the Senator from New Hampshire.

Mr. GALLINGER. I do not think we are bound by any decision of the House of Representatives, to begin with; but does the Senator contend that if we send any kind of a bill to the House and the House strikes out the entire bill, the conferees then can make up a new bill for themselves?

Mr. ROBINSON. Yes, sir.

Mr. GALLINGER. Whether either House has ever acted on it or not?

Mr. ROBINSON. Yes, sir; if it is germane to the subject matter of the original bill.

Mr. GALLINGER. What does the Senator mean by "germane"; that it embodies the same subject matter?

Mr. ROBINSON. That it covers the same subject matter.

Mr. GALLINGER. That is a most extraordinary position. We are absolutely, then, at the mercy of either House, which can strike out the bill passed by the other House, and then the conference committee can write in any provision it chooses, whether it had been acted upon by either House or by both Houses.

Mr. ROBINSON. Of course, Mr. President, the statement of the Senator from New Hampshire that the position which I am taking is a most extraordinary one is voluntary upon his part; but any statement that is made by the Senator from New Hampshire commands great respect from me as well as from the other Members of the Senate. It is true that the Senate is not bound hand and foot by the precedents of the House of Representatives, but I maintain that the precedents of the House of Representatives must necessarily apply in this case, because they are right and based on a rule analogous to the new Senate rule. You can not adopt any other principle and reach an agreement in conference touching a bill where one House or the other strikes out all after the enacting clause and inserts new matter.

Now, I have already stated the history of this bill as relates to its parliamentary status. The Senate passed a bill, which went to the House of Representatives, and the House struck out all after the enacting clause and inserted new provisions, some of them similar, some of them analogous to, and some of them identical with the language contained in the Senate bill; but it was all one amendment and the Senate disagreed to this amend-



ment. Under every rule of parliamentary procedure, both in the House of Representatives and elsewhere, the whole matter was committed to the conferees.

The amendment which the conferees have inserted was, in the opinion of the conferees, necessary to make the provision workable. In addition to that, it is certainly germane to the provision in the bill which was amended.

Mr. KELLOGG. Mr. President—

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

Mr. KELLOGG. I should like to ask the Senator from Arkansas if the first part of section 15 providing—

That nothing in this act shall be construed to amend, repeal, impair, or affect the existing laws or powers of the States in relation to taxation, or the lawful police regulations of the several States, except wherein such laws, powers, or regulations may affect the transportation of troops, war materials, Government supplies, or the issue of stocks and bonds—

Exactly that language was in the bill which the House adopted?

Mr. ROBINSON. No, sir; it was not.

Mr. KELLOGG. What was the provision adopted by the House of Representatives?

Mr. ROBINSON. The provision in the House bill—

Mr. SMITH of South Carolina. Mr. President, if the Senator will allow me, I will say that just exactly those words were in the provisions adopted by the two Houses.

Mr. ROBINSON. There were also words in the House provision which are not found in the Senate provision. I will read the whole of section 16 of the House bill. It is as follows:

Sec. 16. That nothing in this act shall be construed to amend, repeal, impair, or affect the existing laws or powers of the States in relation to taxation, or the lawful police regulations of the several States, except wherein these regulations may affect the transportation of troops, war materials, or Government supplies, the regulation of rates, the expenditure of revenues, the addition to or improvement of properties, or the issue of stocks and bonds.

The language of the Senate bill as we passed it on that subject is as follows—

The PRESIDENT pro tempore. From what section does the Senator read?

Mr. ROBINSON. The last proviso in section 13 of the Senate bill, which is as follows:

And provided further, That nothing in this act shall be construed to amend, repeal, impair, or affect the existing laws or powers of the States in relation to taxation.

That is the language of the Senate provision; the language of the House provision I have already read, and deals also with police regulations. What the conferees actually did was to strike out a part of the House provision and insert a proviso placing a limit on the amount of taxation that might be raised by the States from railroad property. The provision as it is intended to be enforced is a fair one, Mr. President; certainly, no Senator here will contend that while the railroads are under Federal control a State or a subdivision of a State shall collect the entire taxes necessary to maintain its government from property under Federal control or from railroad property. If that should be attempted, it would very materially affect the Federal operation of the railroads, as anyone can see at a glance. I do not mean to imply that any State would act unfairly in a matter of this sort; but there are already pending before the legislatures of some of the States bills providing for the raising of income taxes from railroad property, and we do not want to invite the States to increase taxes on railroad property while under Federal control because that may embarrass the operation of the roads.

Mr. KNOX. Mr. President—

Mr. ROBINSON. I yield to the Senator from Pennsylvania.

Mr. KNOX. May I inquire of the Senator from Arkansas if he thinks Congress has the constitutional power to amend, repeal, or impair the right of a State to tax property within the State?

Mr. ROBINSON. Yes. When the property is under Federal control and operation and is a Federal instrumentality, I certainly think so.

Mr. KNOX. This is not Federal property; I understand it is private property, belonging to private corporations.

Mr. ROBINSON. I call the Senator's attention to a provision of this bill to the effect that all moneys and other property derived from railroad operations above the amount which the Government agrees to pay to the railroads are Government property, and the primary purpose of the bill is to accomplish a Federal purpose.

Mr. HARDWICK and Mr. FRELINGHUYSEN addressed the Chair.

Mr. ROBINSON. I yield to the Senator from Georgia, who, I think, first addressed the Chair.

Mr. HARDWICK. If I understand the Senator from Arkansas correctly, these words—and I am going to quote them—were in both the Senate bill and in the House bill?

Mr. ROBINSON. Yes.

Mr. HARDWICK. Let us see:

That nothing in this act shall be construed to amend, repeal, impair, or affect existing laws or powers of the States in relation to taxation.

Mr. ROBINSON. Yes; that language is substantially the same in both bills.

Mr. HARDWICK. Is the language not identically the same in both bills?

Mr. ROBINSON. If it is not identically the same, it is substantially the same. I have read the two provisions into the Record, and I say they are substantially the same. They may be said to be practically identical for the purpose of this argument.

Mr. HARDWICK. At any rate, on the subject of taxation on the part of the States, both Houses adopted the same proposition.

Mr. ROBINSON. Yes, Mr. President; but under the parliamentary situation, as I have already stated, the whole subject was submitted to the conferees, and it was competent, as the authorities I have cited show—even under the rule which we have adopted—for the conferees to present a new bill.

Now, I have made some statements as to the necessity and justification for this provision. It is, when fairly comprehended, certainly within the parliamentary rule as being within the jurisdiction of the conferees.

Concerning the merits of the provision I shall not say anything further at this time, because the point of order is the question now before the Senate. I point out and emphasize the fact that the rules of parliamentary procedure permit such a provision under the existing circumstances.

Mr. GALLINGER. Mr. President, will the Senator permit me?

Mr. ROBINSON. I yield to the Senator from New Hampshire.

Mr. GALLINGER. As there are a large number of Senators who were not present when the rule was agreed to a few days ago, would the Senator object to having the amended rule read now?

Mr. ROBINSON. That rule, I think, has been read.

Mr. GALLINGER. I think not. I should like to have the rule read.

Mr. ROBINSON. I have no objection to the rule being read; but I think I should conclude what I have to say about the matter and then let it be read, if the Senator desires to have that done.

Mr. GALLINGER. Of course I do not want to interrupt the Senator in the midst of a statement.

Mr. ROBINSON. Mr. President, the enforcement of this rule, as contended for by the Senator from New Hampshire and the Senator from New Jersey, simply means that when the two Houses legislate upon any proposition, if there happens to be a sentence in the two provisions of the two Houses that is identical, it can never be changed in conference, notwithstanding the rule that the whole subject is committed to conference when one House adopts a substitute for the other House's bill.

Mr. GALLINGER. That is right, too.

Mr. ROBINSON. The Senator from New Hampshire interpolates into my statement that this is right. I have correctly stated his position. Any Senator can see that that would make the conference totally futile. All that we could ever do then would be to agree to a House provision or a Senate provision, or to make a combination of them both without modification, when, under the rules of parliamentary procedure, when a House adopts as one amendment a provision in the nature of a substitute for the entire bill, the whole subject is in conference.

That is all I can say.

Mr. KELLOGG and Mr. CURTIS addressed the Chair.

The PRESIDENT pro tempore. The Senator from Minnesota.

Mr. KELLOGG. Before the Senator from Arkansas takes his seat I should like to ask him a question.

I never saw this report until this morning. The first confidential report which the conferees published did not contain this clause, and I assumed that that was their final report.

Mr. ROBINSON. No, Mr. President. I will state that my information is that the clerks, in preparing the report, by an oversight omitted from the first draft the proviso which is now immediately under consideration and another provision, and that made it necessary to have the conference report reprinted.

Mr. KELLOGG. On the merits, therefore, I should like to ask the Senator from Arkansas to consider this point:

The States have different systems of taxing the property within their borders. It is admitted that a State may tax all

property situated within the State, whether it is engaged in interstate commerce or whether it is not; that it may not tax property beyond the State. It is also determined that the State may impose that tax in two ways. It may make a direct ad valorem tax upon the railroad property situated within the State or it may tax the gross earnings of the company, including a mileage percentage of the interstate earnings, provided the gross-earnings tax does not exceed what would be a fair and reasonable tax upon the property itself.

The State of California—which I will take as an illustration, because it happens to occur to me at the moment—has no ad valorem tax system upon public-service corporations, and it has no ad valorem State tax on property at all. Its State expenses are paid by a substituted system of taxes on the gross earnings of all corporations and public-service institutions. The local taxes in the State—the county and township and city taxes—are ad valorem taxes levied on the property situated in the counties or other subdivisions thereof. The State of California provided a commission to determine as nearly as possible whether the system of gross-earnings tax on railroads and other public-service corporations was fairly reasonable compared with the local taxes levied by the ad valorem system; and the work of that commission has been revised from time to time, and the legislature from time to time has changed the percentages to be levied on railroads, express companies, telephone companies, and the Pullman company in order to make them fairly comparable with the direct ad valorem tax for county and municipal purposes.

Under this bill would it be possible for the State of California to increase its taxes on the income of railroads to make them equal? This provision says that it shall not increase the taxes on railroad property in excess of the ratio which existed during the previous year. It would seem to me that if there was an error in that ratio, and a railroad property was taxed too little, that error is perpetuated by this bill, but I am not sure of it. I should like the opinion of the Senator, who has considered this question.

Mr. JOHNSON of California. Mr. President—

Mr. ROBINSON. I think undoubtedly the effect of the limitation is to prevent an increase by the State governments, or subdivisions thereof, of taxes on railroad property out of proportion to the total taxes derived from other property. The effect of this provision is that during the period of Federal control the State of California—to take the instance which the Senator from Minnesota has just cited—could not increase the total amount of revenues raised from railroads, although it might apportion that fairly among the railroads, but it certainly could not increase the total amount of taxes raised from railroads out of proportion to the total taxes collected from other sources in the State. It preserves the rule of proportional taxation as it existed in the State of California and the other States during the last year before the Federal control.

Mr. CURTIS obtained the floor.

Mr. JOHNSON of California. Mr. President, inasmuch as our system was referred to, will the Senator permit an interruption.

Mr. CURTIS. Certainly.

Mr. JOHNSON of California. I shall take but a moment.

Mr. CURTIS. I yield to the Senator.

Mr. JOHNSON of California. I desire to thank the Senator from Minnesota [Mr. KELLOGG] for his very cogent and very clear statement of the system of taxation in our State; but I wish to add this, and when the addition is made I think it will demonstrate the transcendent importance of this specific amendment which the conferees, for the first time, present to us now.

Our taxing system, adverted to by the Senator from Minnesota, is a system provided by constitutional amendment passed in 1910. In that constitutional amendment, by which all of our State revenue is derived from taxation of corporations, and principally, of course, of railroad corporations, the rate of taxation is fixed; but the constitutional amendment provides as well that by a two-thirds vote of the legislature of our State that rate may be altered, increased, or diminished, as the legislature may determine.

Experience with the new system of taxation taught us in subsequent years that the rates had to be modified or altered; and, accordingly, by substantially unanimous votes of the legislature, in 1913 and again in 1915 modifications were made in those rates. This particular amendment, if it have validity and legality, abrogates the constitution of the State of California; and because it thus abrogates our constitution, if it have validity and legality, I call it to the attention of the conferees, and I call to their attention its very, very grave import because of that fact.

Mr. POMERENE. Mr. President—

The PRESIDENT pro tempore. Does the Senator from Kansas yield to the Senator from Ohio?

Mr. CURTIS. I yield.

Mr. POMERENE. Did I correctly understand the Senator to say that the rate prescribed by the constitution could be changed by the general assembly upon a two-thirds vote at any time?

Mr. JOHNSON of California. By the legislature; yes, sir. By a two-thirds vote of the legislature it may change the rates of taxation levied upon corporate property, and within my knowledge two changes were made during the past seven years since the adoption of the constitutional amendment.

I submit to the conferees and to the committee and to the Senate that a matter of this importance, which abrogates the constitution of a State—I think of other States as well as my own—should not be passed in this particular way.

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

Mr. CURTIS. I yield to the Senator from Ohio to ask the question he desires.

Mr. POMERENE. Do I understand it to be the view of the Senator from California that this would prevent the making of any change in the rates in California?

Mr. JOHNSON of California. I do not say that it would. It might, and unless the change corresponded to the particular measure prescribed by the amendment, if it be legal and valid, of course, the amendment would prevent that change.

Mr. GALLINGER. Mr. President, will the Senator from Kansas yield to me for just one moment?

Mr. CURTIS. I yield for the purpose of having the rule read.

Mr. GALLINGER. We are discussing a point of order, but the rule that is invoked has not been read. I ask that the rule may be read.

The PRESIDENT pro tempore. The Secretary will read the rule.

The SECRETARY. The amendment is to Rule XXVII, agreed to on March 8, 1918. The following was added to the rule as a new paragraph:

2. Conferees shall not insert in their report matter not committed to them by either House, nor shall they strike from the bill matter agreed to by both Houses. If new matter is inserted in the report, or if matter which was agreed to by both Houses is stricken from the bill, a point of order may be made against the report, and, if the point of order is sustained, the report shall be recommitted to the committee of conference.

Mr. CURTIS. Mr. President, I desire the attention of the Chair while I submit a few remarks on this question.

It seems to me, from the admission made by the Senator from Arkansas [Mr. ROBINSON], that the point of order should be sustained. It should be sustained anyway; but the Senator from Arkansas admitted his case away.

If the Chair will read carefully the provision of the Senate bill, he will note that there is no interference with the power of the State to tax railroad property within the State. If the Chair will read the amendment of the House, he will find that there is no limitation upon the rights or powers of the State to tax railroad property within the State. If the Chair will read the provision agreed to by the conferees, he will see that it is as follows:

*Provided, however, That no State or subdivision thereof, or the District of Columbia, shall levy, assess, or collect an amount of taxes from railroad property within the State or subdivision thereof, or the District of Columbia, while under Federal control, in excess of the ratio which the taxes derived from railroad property bore to the total taxes of such State or subdivision thereof, or the District of Columbia, for the year previous to Federal control.*

Now, there is a distinct limitation upon the power of the State, and if there is a limitation it changes the amendment, and the conferees exceeded their power because the question of limiting the taxing power of the State was not submitted to them; and I submit the provision added by the conferees is not germane. It goes from one extreme to the other, in that the Senate bill and the House bill provided that the State should have full power, full authority, full control of the taxation of railroads within the State, while the amendment brought in limits that power. Therefore it is new matter and subject to the point of order.

Mr. BORAH. Mr. President—

Mr. CURTIS. I yield to the Senator from Idaho.

Mr. BORAH. Mr. President, the question upon its merits is one proposition. It seems to me that the suggestion made by the Senator from Pennsylvania [Mr. KNOX], that it is probably not within the power of Congress to do this thing, may be well founded, but I want to ask the Senator from Kansas as to the parliamentary question. The subject of taxation and the relation of the State and National Government to this property in



the matter of taxation was committed to the conference committee.

Mr. CURTIS. To a limited extent.

Mr. BORAH. What is meant by "matter" in the rule? Was not the matter of taxing this property committed to the committee? And they could either extend that or limit it.

Mr. CURTIS. Only within the power. What the Senate did and what the House did was within the constitutional power of the House and Senate. That is, we did not interfere with the rights of the States. Now, the conferees agree upon a proposition that goes beyond what the Congress had a right to do; that is, it interferes with the taxing powers of the State.

Mr. BORAH. Precisely; but if it should be determined here in the debate that this is within the constitutional power of Congress, then it would be parliamentary, would it?

Mr. CURTIS. I doubt it.

Mr. BORAH. There are two different propositions. The subject matter which was committed to the conference committee was the subject of taxation.

Mr. HARDWICK. Mr. President, will the Senator yield to me for just a minute?

Mr. CURTIS. I yield.

Mr. HARDWICK. That is not true, because we adopted exactly the same identical provision—

Mr. CURTIS. In both Houses.

Mr. HARDWICK. In both Houses, on this subject; and it was not committed to the conferees.

Mr. SMITH of South Carolina. Mr. President, may I ask the Senator a question just there, in reference to what is being said by the Senator from Idaho?

Mr. CURTIS. Certainly.

Mr. SMITH of South Carolina. If you will read the House provision, you will see that it did modify the power of taxation. Just read it, and you will find that it says "except wherein these laws interfere with certain things."

Mr. CURTIS. Well, let us see.

Mr. BORAH. Let us read another one, too:

And provided further—

This is a provision of the Senate bill—

That nothing in this act shall be construed to amend, repeal, impair, or affect the existing laws or powers of the States in relation to taxation.

That was the language of the Senate bill. The entire subject matter of taxation, as I look at it, was committed to the conferees. Now, whether the Congress can go so far as to put a limitation upon the power of the States to act is a different proposition. I am inclined to think that we could not do what we have undertaken to do; but if we could, the subject of taxation having been committed to them, they could limit it or extend it as they saw fit.

Mr. CURTIS. I desire to read both these amendments.

Provided, That nothing in this act shall be construed to amend, repeal, impair, or affect the existing laws or powers of the States in relation to taxation.

That was read by the Senator from Idaho and was the amendment of the Senate. The House amendment in regard to taxation is as follows:

That nothing in this shall be construed to amend, repeal, impair, or affect existing laws or powers of the State in relation to taxation.

Mr. GALLINGER. It is identically the same.

Mr. CURTIS. Identical; word for word.

Mr. KNOX. Mr. President—

The PRESIDENT pro tempore. Does the Senator from Kansas yield to the Senator from Pennsylvania?

Mr. CURTIS. I yield the floor.

Mr. SMOOT. Will the Senator from Pennsylvania just allow a question before the Senator from Kansas takes his seat? I wish to ask the Senator from Kansas if it is not true that the words he has just read appear in the House bill and in the Senate bill, and that they were stricken out by the conference report.

Mr. CURTIS. They were stricken out and new matter was inserted.

Mr. SMOOT. The rule specifically states that if matter which was agreed to by both Houses is stricken from the bill a point of order may be made against the report. That is the situation which exists to-day.

Mr. BORAH. I ask the Senator from Utah what he understands the word "matter" to refer to there, as far as this bill is concerned? Is it not the subject of taxation? Let us suppose—

Mr. SMOOT. The "matter" is any item in the bill that has been in both the House bill and the Senate bill, and the rule provides that if it is stricken out in conference it is subject to a point of order.

Mr. BORAH. Precisely, but the matter which was inserted in this bill and which was referred to the conference was the subject of taxation. Now, let us suppose for the sake of the argument, in view of the doctrine which obtains with some in this country at this time, that the Constitution of the United States is suspended and that there is no limitation on the power of Congress to operate on this subject, would anyone contend that Congress could not under this rule deal with the entire subject of taxation, either extending or limiting it with reference to the power of the State?

Mr. KNOX. Mr. President, I think I have the floor.

The PRESIDENT pro tempore. The Senator from Pennsylvania has the floor.

Mr. SMOOT. I contend that no conference could do it.

Mr. SMITH of South Carolina. Will the Senator from Pennsylvania allow me to call his attention as well as of other Senators to the exact language of the House bill as unamended in reference to this section?

Mr. KNOX. I yield for that purpose.

Mr. SMITH of South Carolina (reading)—

That nothing in this act shall be construed to amend, repeal, impair, or affect the existing laws or powers of the States in relation to taxation or the lawful police regulation of the several States except wherein such laws, powers, or regulations may affect—

Then it goes on and enumerates a lot of things—revenues, issue of stock, and so on. So the House made a modification upon its taxing law and we modified the modification.

Mr. KNOX. Mr. President, I feel grateful to the Senator from South Carolina for calling attention, with emphasis, to the exact language of that provision. I think a reading of the entire provision will not justify the construction that he has placed upon it.

I only wish to address myself now to the question of the point of order. Under the rule, in my judgment, the point of order is well taken. I do not think that the whole question as to taxation was submitted by either House to these conferees, and I think perhaps we will be able to reach a sound conclusion when we look at the whole situation which, as every Senator knows, has existed. I think, perhaps, most Senators received, while this bill was pending in committee, communications from the governors of their States in relation to whether or not this paragraph was intended to affect the power of the States to tax railroads. I know I received such communications from my State, and I know from what other Senators have told me that they received similar communications. When we brought this question to the attention of the members of the committee, they said, of course, there was no intention—

Mr. OVERMAN. Mr. President, I demand that we have order. We can not hear on this side anything that is said.

The PRESIDENT pro tempore. The Senate will be in order.

Mr. KNOX. When the members of the Interstate Commerce Commission were interrogated upon the question as to whether or not the powers of the State were being menaced by this bill or whether there was any proposition or any suggestion that the powers of the States would be limited or curtailed in any respect, the answer was, of course, "no," and I know of many others who did advise the executives of their States that there was no danger whatever. There were Senators who were cautious and there were Members of the House who were cautious and who desired to make assurance doubly sure, and insisted that there should be put in the bill an expression that there was nothing contained in this act that could limit or curtail the powers of the States to tax.

I say, Mr. President, that a direction such as that, that no limitation could be placed upon the power of taxation, did not carry to the conferees the right to place a limitation upon the power of taxation.

As to the section the Senator from South Carolina has just read, in which he claims that under this right to pass regulations the whole subject came within the power of the President, let me read you the entire section:

That nothing in this act shall be construed to amend, repeal, impair, or affect the existing laws or powers of the States in relation to taxation—

There that subject ends. There we have an imperative command that nothing shall limit the power of the States relating to taxation. Let us proceed—

• the lawful police regulation—

Which is an entirely different subject—

of the several States wherein such laws, powers, or regulations—

Not this power of taxation, Mr. President; the exception is wherein these regulations—

may affect the transportation of troops, war materials, Government supplies, or the issue of stocks and bonds.

Mr. President, if the man who penned that provision had designed to make as clear as language could express it that there was nothing in the section intended to impair or affect the right of taxation, he could not have put it in clearer language.

Mr. President, the chairman of the committee substantially admits this, because a few moments ago he fell back upon section 10 to show that this whole question of taxation was submitted to the conferees.

Mr. SMITH of South Carolina. If the Senator will allow me, I desire to make a correction in reference to that last paragraph in the Senate bill. The Senate did provide exactly the language that the House did in the very last section. The part sent to conference reads:

*Provided further*, That nothing in this act shall be construed to amend, repeal, impair, or affect the existing laws or powers of the States in relation to taxation.

I had for the moment overlooked that latter paragraph in the Senate bill.

Mr. KNOX. That is exactly my contention, that the whole question of taxation centered around the fact that there was to be no limitation placed upon taxation or no impairment of the right of the States, but as the Senator from South Carolina said a few moments ago and repeated a short time since, section 10 brings this subject within the purview and within the jurisdiction of the committee of conference, because by that section the carriers under Federal control shall be subject to all laws and liabilities of common carriers, except in so far as they may be inconsistent with the provisions of this act or the orders of the President, and therefore the taxation laws of the State are subject to the orders of the President, and if they are subject to the orders of the President the President might regulate them in such a way as he saw fit.

But, as I pointed out a moment ago, and I shall only refer to it now, if you read the second line of section 10 you will find that this Federal control to which they shall be subject is as to all laws and liabilities as common carriers, and everybody knows there is a system of laws and a condition of liabilities that apply to common carriers which are peculiar to themselves, which do not apply to individuals engaged in ordinary business. That liability is wisely preserved for the benefit of the public, whether it be a liability by statute, whether it be a liability by common law, or whether it be a liability by custom or a liability imposed properly upon them by the Interstate Commerce Commission.

So, Mr. President, my point is that the instruction to the conference committee was to keep within the Constitution. The instruction to them was not in any way to impair or affect the rights of the States to tax the property within their borders.

Mr. McLEAN obtained the floor.

Mr. WILLIAMS. Before the Senator from Pennsylvania takes his seat I should like to ask him a question for information. Do I understand the Senator—

The PRESIDENT pro tempore. The Chair recognized the Senator from Connecticut [Mr. McLEAN], who is standing behind the Senator.

Mr. WILLIAMS. I beg pardon; I did not see him.

Mr. McLEAN. Mr. President, I am much more deeply interested in the merits of this proposition than I am in the rule under which the Senate may act upon it, although I think it is clearly out of order. If I read the section correctly it prohibits a State from collecting taxes from railroad property "in excess of the ratio which the taxes derived from railroad property bear to the total taxes of such State or subdivision thereof or the District of Columbia for the year previous to Federal control."

In some States the taxes are laid upon the value of the stock of the railroad companies. Let us assume that a railroad has the good fortune to prosper under Government control and its stock is double the value in 1918 that it was in 1917 or when the Government took control. I should like to ask the chairman of the committee how under this provision the State can collect a penny more from the railroads than it did prior to taking possession.

Mr. SMITH of South Carolina. This whole question was very thoroughly discussed by the conferees. Their idea was, as the language was intended to convey, that the ratio of taxes collected from the railroads and from the other property in the State should be the same as it was in 1917; that is, taking the amount you collect from the railroads it should bear the same relative ratio to the amount you collect from all other taxes in the State.

Mr. McLEAN. That is evidently the way the section reads.

Mr. SMITH of South Carolina. As to the point regarding which the Senator asks, if the property of the railroads increases

within the State, then it seems to me that that increase of the property would be put into the total. That would be new matter entirely. If railroads were constructed it seems to me the relative ratio could be still obtained.

Mr. McLEAN. I think the Senator will agree with me that the language then should express the intent of the committee and the word "rate" should be used to make his point clear.

Mr. SMITH of South Carolina. No; the word "ratio."

Mr. McLEAN. So that if the same tax rate is carried on from one year to another, of course the increase in value would then be taken into consideration. But the act does not say that, and it is an astounding proposition. A railroad may lay other tracks, double tracks, may double its value, and yet as the section reads the total amount of the taxes collected must continue to bear the same ratio to the amount collected from other property in the State.

Mr. SMITH of South Carolina. One reason why the conferees wrote that in the bill, if the Senator will allow me, was because the object they had in view was called to their attention by one Senator that in certain States they did not assess the railroad property, that they assessed the gross receipts of the property, and in other States they assessed the property. Therefore, in order to accommodate this language as nearly as we could to existing conditions, we thought that during the period of the war, when it was so essential to stabilize these properties to use them as a Government function, the States themselves would be willing to have the machinery in operation the year before control still maintained.

I suppose I am as great an advocate of State rights as any man on this floor, but we recognized the fact that it was possible for certain State officials, reasoning that these roads would be under Federal control and therefore the taxes that they would impose would come out of the Treasury of the United States, thoughtlessly or otherwise, to impose a tax which might interfere very materially with the Government operation of these roads; and in order to preserve the same relativity that had been preserved by the railroads in their compensation we put this provision in the bill.

Mr. McLEAN. Does not the Senator think if this section went back to conference it would be possible to so frame it that the intent of the chairman of the committee could be made clear? I agree with the position of the chairman of the committee entirely, but in the States where the tax is laid on the value of the stock the Senator can see that under this section as it reads the total amount of the tax collected from the railroads can not exceed in the year 1918 what it was in 1917, provided the amount raised outside does not increase.

Mr. SMITH of South Carolina. I think the position is all right.

Mr. GALLINGER. Mr. President, to my mind the point of order is so well taken that it would be beating the air to discuss it, and I shall not discuss it. I will content myself by asking that a telegram from the chairman of the State Tax Commission of New Hampshire, one of the most competent and accomplished officials in the country, so far as taxation is concerned, be read. That will be my argument against the report, if any argument is needed.

The PRESIDENT pro tempore. Is there objection? The Chair hears none, and the Secretary will read.

The Secretary read as follows:

CONCORD, N. H., March 8, 1918.

Hon. JACOB H. GALLINGER,

United States Senate, Washington, D. C.

Provision of railroad bill limiting ratio of State taxation to a rate not higher than that for year previous to taking over by the Government is in conflict with our laws upon the actual value of the property at the average rate, which requires an assessment of property throughout the State and opposed to the constitutional requirement of proportional taxation for all property. If held valid, it will not only prevent any increase of revenue from the railroad in proper cases, but is contrary to our entire system of taxation. Strike out limitation upon the States.

ALBERT O. BROWN,

Chairman State Tax Commission.

Mr. WILLIAMS. Mr. President, by reference to Jefferson's Manual, which has been the basis of all the decisions of the Speakers of the House upon the question of the scope of the authority of conference committees, it will be found that the origin of the conference committee consisted in this, that the two Houses upon some particular question differed with one another, and a special committee, called a committee on conference, was appointed in order to harmonize those differences. Now, that being true, this question presents itself at once: Is there in this case any difference between the two Houses? If there be any difference, there is then something to harmonize, and there was a reason for appointing a conference committee,



and upon the particular subject matter the conference committee will have jurisdiction.

Now, I wanted to ask the Senator from Pennsylvania [Mr. Knox] a moment ago a question for information for my own guide, for he has gone over this matter very much further than I have. As I understand it—and I want the Senator to correct me if I am wrong—the other House used substantially the same, if not identically the same, language down to a certain point. Then the House of Representatives put in some language, beginning with the word “except”—“except in this case and in that and the other.” Is that true or not?

Mr. KNOX. So far as the subject of taxation is concerned, this bill went to the conference committee with a prohibition against impairing the right of a State to tax. Then the conference committee wrote in an exception, which does impair the right of a State to tax. My position is that when a conference committee is instructed not to do a thing it can not turn around and do it by an exception.

Mr. WILLIAMS. That is an undoubted truism, if the statement be true as a matter of fact.

Mr. KNOX. I think so.

Mr. WILLIAMS. As a matter of logic, nobody could dispute it, provided it is based upon a premise of fact. As I understand, however, the House amendment and the Senate provision were not identical. Am I right or wrong about that?

Mr. KNOX. They were identical as to the question of prohibition, though the language may have been different.

Mr. WILLIAMS. I understand that.

Mr. KNOX. If the Senator understands that, he understands my entire position.

Mr. WILLIAMS. The two Houses used language which was identical upon the general subject of prohibition, but one House put in language beginning with the word “except,” which the Senator from Pennsylvania denies to be a limitation, admitting, arguendo, that if it were a limitation there would be a difference between the two Houses and there would be jurisdiction in the conference committee. The Senator denies, however, that the exception constitutes a difference; he denies that the exception constitutes a limitation; but he admits that the exception was put in.

Mr. KNOX. The exception was put in by the conference committee, not by either House.

Mr. WILLIAMS. The language beginning with the word “except”?

Mr. KNOX. That was put in by the conference committee.

Mr. WILLIAMS. And was not put in by either House?

Mr. KNOX. It was not put in by either House.

Mr. WILLIAMS. Then, I have been misinformed.

Mr. SHERMAN. Mr. President, there was no difference between the House of Representatives and the Senate on this question until the conference committee created it.

Mr. KNOX. That is correct.

Mr. SHERMAN. Our rule has recently been amended—

Mr. FRELINGHUYSEN. May I interrupt the Senator from Illinois for a moment?

Mr. SHERMAN. Yes, sir.

Mr. FRELINGHUYSEN. The House provision and the Senate provision on this subject were identical in language.

Mr. SHERMAN. Yes, sir. Then, I believe I am correct in saying that the difference was created by the conference committee, and not by the House of Representatives or by the Senate. Our rules were amended in order to prevent such parliamentary procedure as this. A difference not existing until it is raised by the conference committee is not within the jurisdiction of that committee under the amended rule.

The tax laws of a State can not be cast in the inflexible mold of a fixed ratio from year to year; that is an impossibility. If the ratio between the taxes raised on railroads in Connecticut or in California last year, or the year before the war, or the year that is fixed here—the preceding year—were compared with the other taxes raised in the State, one-tenth, that part being derived from railroad property, that one-tenth ratio must remain as the inflexible ratio until this bill ceases to be operative. In that event it makes no difference how much the taxes of the State are increased—whether they are increased by 25 or 50 per cent—all of that increase must, after the excess above one-tenth, say, be cast upon the private taxable property of the State, exclusive of railroad property; the railroad property can not under this proposed amendment share in the increase. To that degree it puts upon every individual property owner in the State the increase of taxes above the ratio fixed in the year named in the amendment.

I prefer that this measure—and I have a right to speak about it, because I supported it and believed in it in its original form—and I have a right, as one from a State that pays a

considerable Federal tax, as well as a local tax, to ask that this railway measure be applied and worked out on its merits. There is not under the amendment now proposed a fair chance to work out the railroad bill and find out in that application how it will result.

In every year, if we could take it approximately for the last five years, there is an increase in local and State taxation on railway property of about \$20,000,000 for the tax accruals running year by year, sometimes more and sometimes less. For instance, in 1915 there were about \$138,000,000 of local tax accruals by the States and by local subdivisions of the States to whom the State taxing powers had been delegated by constitutional or legislative provision. In 1917 the tax accruals by the same local authorities, States or subdivisions of States, ran up to \$172,000,000. That is a considerable increase over the \$138,000,000, being something like \$34,000,000. That large increase is more than the average. I am not far out of the way when I say that approximately those increases in tax accruals by local tax bodies average something like \$20,000,000 every 12 months from year to year. That \$20,000,000 increase would be cut off under this amendment as proposed; that \$20,000,000 increase will be added to all of the local business and agricultural and commercial interests of the different States on the local assessed valuation of the respective States and exclusive of railroad property.

Another attempt along the same line has been made. I wish this railroad law operated on its merits, so far as I have anything to do with it by my single vote here. I read from a letter dated March 6, 1918, from Peoria, written by the Peoria Association of Commerce, which takes in practically all of the business concerns of that city, confirming a telegram. The letter states:

We understand Director General McAdoo proposes to impose a charge of \$2 for placing a car on an industrial siding and an additional charge of \$1 for spotting [cars].

I wish to insert this letter at the close of my remarks, together with a telegram from the Quincy Freight Bureau, of Quincy, Ill., of date March 7, 1918, on the same subject.

The estimate of the total increase that manufacturing and industrial enterprises will be compelled to pay under this switching charge, or charge for placing cars on sidings, together with the charge for spotting cars, will, throughout this country, in 12 months amount to \$176,000,000. If you add that to the \$20,000,000 proposed under this amendment it will be additional revenue to the railroads, because when the State tax bodies are compelled to levy that much on other property it amounts to an increase in the revenue of railways by that much. That with the \$176,000,000 charged to industrial concerns will make a total of \$196,000,000. One is a saving which amounts to an increase in net revenue, while the other is an additional earning.

I think I know what all this is for. It is a part of a general program designed in order that the railway law may not have a trial upon its merits. It is proposed by this and other processes that are in the course of framing that under Government operation of 250,000 miles of railway the roads will show an increase of \$196,000,000 in earnings while, as a matter of fact, they will not have an increase of a dollar from rate changes. There will be \$176,000,000 collected from shippers, and if it can not be absorbed in the charge to the consignee it will be paid by the shipper himself without that absorption. Twenty million dollars will be relieved by this amendment, making \$196,000,000, and when that saving of revenue occurs it will be heralded at the end of the fiscal year that Government operation has resulted in an increase of \$196,000,000 in revenue without increasing rates to the shipping public. That is what this program is for; it is to bolster up on an unfair basis the railway bill when it is put into operation. I want it to have a fair chance; I want private ownership to have an equally fair chance alongside of Government control, but it will not have under this amendment.

I shall not speak of the parliamentary status of the matter at all; I do not care for that; I am going beyond that, to the greater issue involved. Private control will not have a fair chance if this amendment is adopted, and if the measure is put into operation as it is now framed, for the charge on switching and spotting cars—these two items together with others of a like kind that are coming along—will result in a very great increase in the revenues, without increasing the charges or rates to the shipper.

I can understand now why the section of the railway bill was required transferring from the Interstate Commerce Commission and vesting in the Executive the power to initiate rates. These are methods of increasing the revenues of the railways without increasing the rates to the general shippers. It is a part of the rate-making power, and I think, without any regard

to the parliamentary procedure, that this is an obnoxious amendment, because it seeks an unfair advantage.

Now, Mr. President, I present the telegram and the letter to which I have referred and ask that they be printed in the RECORD without reading.

The PRESIDENT pro tempore. In the absence of objection, it is so ordered.

The telegram and letter referred to are as follows:

Hon. L. Y. SHERMAN,  
Senate, Washington, D. C.:

QUINCY, ILL., March 7, 1918.

Director General of Railroads proposes charging \$2 per car for movement to or from industrial sidings and \$1 per car spotting charge, which railroad line haul rates now includes. Have wired protest to him. Proposition very objectionable and opposed by local industries as unwarranted and discriminating against one class of shippers. We respectfully solicit your opposing it in our behalf. See letter.

THE QUINCY FREIGHT BUREAU,  
L. B. Boswell, Commissioner.

PEORIA, ILL., March 6, 1918.

Hon. LAWRENCE Y. SHERMAN,  
United States Senate, Washington, D. C.

SIR: Confirming telegram of to-day, may we not ask careful consideration? Copy of our telegram herewith:

"We understand Director General McAdoo proposes to impose a charge of \$2 for placing a car on an industrial siding and an additional charge of \$1 for spotting—total increase of \$3 per car to increase carrier's revenues. We do not feel that the present situation warrants an arbitrary advance in carrying charges such as this would amount to, and we respectfully enter protest against such advance without giving commercial and shipping interests a chance to be heard and present reasons against this increase before same becomes effective."

Respectfully,

PEORIA ASSOCIATION OF COMMERCE,  
By W. H. COLEMAN, President.

Mr. ROBINSON. Mr. President, I referred a few moments ago to the parliamentary status, and to the fact that the whole subject matter was in conference. I desire now to emphasize that and to read a part of the language of the Speaker of the House of Representatives in point, and which is cited in section 6424 of Hinds' Precedents. Senators will note that there is no possible distinction in the case that was there decided and the one that is under consideration here. Here is the language of the Speaker:

The House substitute, by way of amendment, went to the Senate. The Senate disagreed to every line, paragraph, and section of the House provisions; and with that disagreement to the Senate provision, and with the House provision in effect a disagreement to the original Senate bill, the whole matter went to conference. That is, by this action there was committed to conference the whole subject of immigration, and, as connected therewith, the prohibition of immigration by way of contract labor in the fullest sense of the words.

Now, Mr. President, the Senate dare not lay down the proposition that when both Houses happen to incorporate sentences identical in language, the matter is not in conference, even though the whole subject matter is in disagreement. If such a contention were upheld, it would tie the hands of the conferees so that there could never be legislation upon a matter concerning which there is an important difference between the two Houses. Under the parliamentary situation as it existed here, the whole subject was in conference, and the conferees, if they had chosen to do so, could have written an entirely new bill. The only limitation upon their power in that particular is that the bill which they may write must be germane to the subject matter of the original bill. You have not so limited the power of the conferees by the language of the new Senate rule, which is the same, substantially, as the rule under which the House has been operating for many years, as to prevent modifications in conference of a substitute for the original bill disagreed to by the body which first passed it.

Mr. GALLINGER. Mr. President—

Mr. ROBINSON. I yield to the Senator from New Hampshire.

Mr. GALLINGER. Mr. President, I will venture to repeat that I do not think we are governed by the rules or the precedents of the other House, but the Senator cites the immigration bill. Does the Senator contend that, if the Senate had placed a \$2 a head tax on immigrants and the House had placed a \$4 a head tax, the conferees could have made it \$10?

Mr. ROBINSON. If the House had done that, and in addition has stricken out the entire Senate bill, I do contend that the conferees could have done so. The Senator from New Hampshire can see that the parliamentary problem is not a difficult one. When one House passes a bill and the other—

Mr. GORE. Mr. President—

Mr. ROBINSON. Wait just a moment—and the other House strikes out all after the enacting clause, and the House which first passed that bill disagrees to the amendment striking out all after the enacting clause and inserting new matter, that necessarily puts the whole subject in conference.

Mr. GALLINGER. The Senator's construction necessarily puts both Houses in the hands of the conference committee.

Mr. GORE. Mr. President—

The PRESIDENT pro tempore. Does the Senator from Arkansas yield to the Senator from Oklahoma?

Mr. ROBINSON. I yield.

Mr. GORE. I desire to ask the question propounded by the Senator from New Hampshire in a little different form. Suppose the House in the case of the immigration bill had fixed the tax at \$2 and suppose the Senate had fixed the tax at \$2, does the Senator then contend that a tax of \$10 could have been written in the bill by the conferees?

Mr. ROBINSON. Certainly, if the House had stricken out all after the enacting clause and inserted one amendment in the nature of a substitute for the bill. Instances can be cited almost indefinitely to that effect. Senators, there is no other rule that can govern the subject.

The constitutional question is one that I would not attempt to settle upon a point of order. That is, of course, a question that directs itself to the merits of the case, and would have to be determined after the parliamentary question has been decided.

Mr. WILLIAMS. Mr. President, I should like to ask the Senator a question for information.

Mr. ROBINSON. I yield.

Mr. WILLIAMS. Did either House strike out everything after the enacting clause in this particular case?

Mr. ROBINSON. It did.

Mr. WILLIAMS. And substitute a new bill?

Mr. ROBINSON. The House substituted a new bill entirely, and the Senate disagreed to the House amendment. That put the whole matter in conference.

Mr. WILLIAMS. Did the Senate agree to the House amendment striking out all after the enacting clause?

Mr. ROBINSON. No, sir; the Senate disagreed to the House amendment—

Mr. WILLIAMS. Ah!

Mr. ROBINSON. Which put the whole matter in conference.

Mr. WILLIAMS. I understand.

Mr. ROBINSON. There can not be any other rule applied. As a legal proposition it is so clear that, in my judgment, it is incontrovertible.

Mr. WILLIAMS. Mr. President, if I may interrupt the Senator further before he takes his seat, it is an old and familiar principle in the other House that where everything after the enacting clause is stricken out of a bill, and a new bill, whether partially in the same language or not, is adopted by the House striking out everything after the enacting clause, the entire bill is in conference.

Mr. ROBINSON. That is the statement I have made, and I have cited authorities to that effect.

Mr. KELLOGG. Mr. President, I shall not discuss the parliamentary question.

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

Mr. KELLOGG. I yield.

Mr. ASHURST. I merely wish to make a parliamentary inquiry. Is the point of order debatable?

The PRESIDENT pro tempore. The point of order at this time is debatable.

Mr. ASHURST. Under what rule?

The PRESIDENT pro tempore. We have had no morning hour to-day. The Senator may be under the impression that we had a morning hour.

Mr. ASHURST. No. Has the Chair submitted the point of order to the Senate?

The PRESIDENT pro tempore. No. A point of order has been made to the conference report, and—

Mr. ASHURST. The point of order is not debatable unless it is submitted to the Senate.

Mr. GALLINGER. The invariable rule has been that the Chair can permit debate. If the Chair wishes to do so, or the Chair can decide the question offhand.

Mr. KELLOGG. Mr. President, I do not wish to discuss the parliamentary question, because I am not a parliamentarian. I was under the impression, after considering questions which have arisen in the Senate since I became a Member of it, that this rule was adopted to cure certain evils. For instance, in the case of the revenue bill when we came to vote on the conference report there was found a clause imposing a tax of 8 per cent on men who earned their money either with their hands or with their brains and exempted those who earned their money by cutting off coupons. Some of us objected, but the rules were such that we could not invoke the rules of the Senate. If it is true that the entire subject of taxation was before the Senate, and the conferees could put in anything they desired, I suppose this rule could not be invoked.



Mr. BORAH. Mr. President—

The PRESIDENT pro tempore. Does the Senator from Minnesota yield to the Senator from Idaho?

Mr. KELLOGG. I do.

Mr. BORAH. Was the point of order ever raised or discussed upon that subject in the revenue bill to which the Senator has referred?

Mr. KELLOGG. Yes; the point of order was raised.

Mr. BORAH. Upon that particular point?

Mr. KELLOGG. My recollection is that it was. It was raised on some provisions, anyhow; but at that time we had no rule of this kind.

Mr. BORAH. Exactly; but in the case of the particular clause to which the Senator refers, as I remember, the point of order was not raised at all.

Mr. KELLOGG. I am not sure about that.

Mr. BORAH. Because after it got to the country the explanation was made that it was unknown to the Senate when it passed through it.

Mr. KELLOGG. But, Mr. President, as to that I would not pretend to put my opinion against that of the Senator from Arkansas, who has had great experience in this matter, and I do not wish to discuss it; neither do I agree with the Senator from Illinois [Mr. SHERMAN] that this provision was put in here in order to show excess or large profits of the railroads while under Federal control and make the Federal operation effective. I have not the slightest doubt of the ability and the absolute good faith of the conferees on this question, nor have I any doubt that there is a possibility that the States might overtax railroad property; but I should like for a moment to call the attention of the conferees to some of the difficulties which may arise under this proviso. I hesitate very much to oppose a conference report to which I know such ability and attention have been given.

As to the constitutionality of this proviso, I take it to be the law that Congress has no power to deprive the States of the right to tax any property situated within the State, provided it is not Government property or property owned by a Federal corporation, so that the Federal Government may control it, such as a bank, although it never has been the policy of the Federal Government to prevent Federal banks being taxed, and I know it will not be the policy of the Federal Government to prevent the taxation of any property in the State. Therefore the property of the railroads, as such, situated within a State is subject to the right of the State to tax that property in any manner the State may see fit, provided the tax is not a burden on interstate commerce and provided it is not in violation of the State constitution.

There is this question, however: The States do not all tax on an ad valorem basis the property within the State, but some of the States levy a tax on the gross income of the corporation in lieu of a tax on the property; and they impose it, as I said before, not only on the intrastate earnings but on a mileage proportion of the interstate earnings, dividing the interstate earnings on the basis of the miles carried. The Supreme Court has sustained that and said it was not a burden on interstate commerce unless it exceeded what would be, under the laws of the State, a fair equivalent to the taxation of the property.

Now, it might be that under this proviso, if the Director General found that that percentage of taxation in any one year exceeded the ratio of 1917, he could set aside that tax; and it may be that Congress has the constitutional power, because the earnings of these corporations are Federal earnings, as suggested by the Senator from Arkansas, and to that extent it is quite likely that the Director General might invoke this provision to set aside the tax if in 1918 or 1919 it exceeded the ratio of 1917. The property, however, is still railroad property.

Mr. BORAH. Mr. President, would it interrupt the Senator if I should ask him a question?

Mr. KELLOGG. Not at all.

Mr. BORAH. Aside from the difficulty of the practical working of this law, does the Senator admit that it is within the power of Congress to say that a State shall not tax, except in a specific way, property which is within the State and which in ordinary times, in times of peace, it would have the power to tax?

Mr. KELLOGG. I do not think it is within the power of Congress to do anything of the kind. I believe the power of the State to tax property situated within the State is absolute unless it burdens interstate commerce and unless it is in violation of some provision of the State constitution.

Mr. GORE. Mr. President—

Mr. KELLOGG. I yield to the Senator from Oklahoma.

Mr. GORE. I should like to ask the Senator a question. In case a State should pass a law which was adjudged by a Federal court to be in violation of this provision, is it the Senator's judgment that the excess of the tax would be adjudged void, or would the entire tax be adjudged void?

Mr. KELLOGG. That is very difficult to say.

Mr. GORE. The Senator will appreciate the importance of it, because it might shipwreck a State's fiscal system entirely if it went to the whole tax.

Mr. KELLOGG. It might. I am inclined to think that the entire tax would be void if it was in excess and was indivisible. I should not, however, like to express offhand an opinion upon that question.

Mr. President, let us see whether it is possible for the States to comply with this provision. It says that the tax levied by the State, whether it be an ad valorem tax, or whether it be a tax on gross income, or a tax on stock, or a tax on franchises—I am fairly familiar with the taxing laws of nearly every State, and they differ very greatly on that question—shall not be—

in excess of the ratio which the taxes derived from railroad property bore to the total taxes of such State or subdivision thereof for the year previous to Federal control.

Let me illustrate. We will say that the county of Ransom, in the State of Minnesota, levies a tax—or I will take some State that has the direct ad valorem system. We will say that any county in a State levies a tax upon railroad property on the ad valorem system, and in 1917 the tax for county purposes and State purposes bore a certain ratio of equality, we will say. They were equal in those subdivisions. Suppose next year the county expenses should decrease a little. Then the railroad tax imposed by the State must decrease, and you would have as many different bases as there are counties in the State of Minnesota or any other State. In Minnesota we have the gross-earnings system.

I fear that it will be impossible for the States to regulate their tax systems and readjust them under this clause. I am aware that it is a very difficult problem. It is perfectly clear, however, that if heretofore, in 1917, the tax on railroad property was too low as compared with the tax on other property, the tax on railroad property could not be increased in order to bring it up to the level of taxes on other property, because of the standard of the ratio of 1917 fixed in this bill.

In considering this question the committee received a great many communications, I have no doubt—I did, I know—from the States, asking if there was any danger of their tax systems being upset. I always answered that unless Congress affirmatively acted, the property in the hands or under the control of the Director General was subject to taxation and the States could proceed to tax it as they had before. I believe that to be the law, and I believe it was the opinion of the committee that there should be no limitation upon the taxation of railroad property.

I am willing to admit that if a State undertook to increase enormously its tax on railroad property as compared with others, under the constitution of the State, there might be some ground for action by the Federal Government; but in all the history of taxation in this country I can not now call to mind any tax that is grossly unequal between railroad and other property. There are inequalities. There are bound to be inequalities. No human judgment can make the taxes imposed on railroad property equal to the taxes imposed on other property except under the ad valorem system. When you come to take a gross-earning system—which is the best tax system in the world, in my judgment, for public utilities—and say that the tax on gross earnings must not exceed a fair and reasonable tax imposed on other property, it is a matter of estimate. It is only an approximation. It can not be anything else, as the Supreme Court of the United States recognizes in its decision. I had the honor to argue the case in which that question was settled in this country.

Congress is going to be in session, I suppose, most of the time. If any State should attempt a system of taxation that is grossly unequal the Congress could act. I do not believe it is wise for us now to limit the taxing power of the States, and I submit to the conferees the most careful consideration of the constitutional power of Congress to do so. I have no wish to criticize the committee for its action, and in some of the opinions I have expressed I may be wrong.

Mr. BORAH. Mr. President, upon the merits of this proposition as to the power of Congress to limit the action of the States with reference to property which would be subject to taxation in times of peace, and so forth, I am of the opinion at the present time that it is not within the power of Congress to do it. But that, as I understand it, is not the particular question which is now before the Senate. The merits of the propo-

sition may be deferred for further reflection and consideration. The particular question now is whether or not the point of order applicable to that portion of the bill which is contained in the proviso of section 15, as being new matter, is well taken.

I am not an expert in parliamentary law, but I call the attention of the Senate to the fact that, as I understand the history of this bill, it passed the Senate and went to the House, the House struck out the entire bill, and it went to conference after that proceeding had been had upon the part of the House. Now, if that is true, the Supreme Court of the United States, if my memory is not at fault, has announced that that puts in conference all the different provisions of the bill, and puts the subject matter under the control of the conferees with reference to all matters contained in the bill. I did not understand, when I was first presenting the matter this morning, that the House had taken that action. If they have taken that action, as I now understand the fact to be from the Senator from Arkansas, I have but little doubt that this insertion upon the part of the conferees was within the jurisdiction of the conferees.

Aside from that, however, I venture to say that where a subject matter such as taxation and a subject matter such as the extent to which the States may or may not tax a particular property is sent to conference, that gives the entire subject matter to the conferees, and that they may limit it or they may extend it beyond what has been provided in the bill. It seems to me that from both these standpoints this point of order is not well taken, and upon that alone I speak at this time. So far as the merits of the matter are concerned, I may have something to say later.

Mr. POINDEXTER. Mr. President, I am not familiar with the decision of the Supreme Court to which the Senator from Idaho refers, and I should like to ask him if it goes to the extent that in case of procedure such as he has described—the substitution of a new bill by one House for the bill of the other House—the conference committee is freed from all restraint whatever as to what it can deal with, and that in the case of any point upon which the two bills of the different Houses are identical the conference committee can disregard that and set up something entirely new?

Mr. BORAH. So long as it is germane to the subject matter of the bill. Of course, as the Senator knows, it is always dangerous for a man to state what a decision holds when he has not looked at it for years, but my remembrance is that a rule was announced which would make this provision germane. I only heard the statement of the Senator from Arkansas a few minutes ago, and I have not looked the matter up. I speak from memory.

Mr. POINDEXTER. I think it would be quite interesting.

Mr. BORAH. My remembrance is that the Supreme Court held that where that procedure has been had—that is, the entire bill stricken out, except the title—that constituted an amendment and put the whole subject matter referred to in the bill in conference, and that it was in the nature of an amendment to the entire bill.

Mr. POINDEXTER. At any rate, Mr. President, while I do not undertake to dispute the Senator's recollection of the case, because I am not familiar with it, it would be extremely interesting, before being guided by that decision, to see the decision and to understand its exact application to this question. I fail to see, however—and I do not know that the Senator argues to that effect—how any decision of the Supreme Court can limit the power of either House of Congress to adopt rules for its own government in regard to conference reports.

Mr. BORAH. Of course, I take it that the Supreme Court was construing the matter in connection with the rule of the House which has so long obtained there with reference to this particular matter and under that provision of the Constitution requiring all revenue bills to originate in the House.

Mr. POINDEXTER. That rule may not be identical with the rule now under consideration.

Mr. BORAH. I think it is identical with it in substance, because the rule has been construed this morning very narrowly. It says:

Conferees shall not insert in their report matter not committed.

The word "matter" may, to my mind, cover the entire subject of taxation. It is the matter that was submitted. It does not say the question which was submitted or the particular proposition which was submitted or not submitted, but it says the matter which was submitted. Certainly the matter of taxation of these roads as between the National Government and the State government was submitted and to what extent either might go was submitted. That is the matter which was submitted.

Mr. GALLINGER. That would be "subject" rather than "matter." "Matter" would apply to language, I think, ordinarily.

Mr. BORAH. If there was any precedent to that effect, I would gladly concede my error, but in ordinary parlance in the use of the word "matter" we would certainly use it in connection with the subject of taxation, to the extent to which the National Government might go and to the extent to which the State government might go in taxing this particular property.

Mr. POINDEXTER. In pursuance of that doctrine we have up the subject of taxation, and in certain parts of the subject the two Houses are entirely agreed. If there is any difference whatever as to some other part of the subject not necessarily relating to the part upon which they are agreed, the Senator concludes that the rule would mean that the entire subject matter, both that to which there is disagreement and that in which there is an agreement, would be subject to the discretion of the conference committee?

Mr. BORAH. I do not know how to construe this language except by its natural import and as we would use it in ordinary parlance. If there is a construction placed upon it by reason of parliamentary precedents, I am not familiar with it. It says "the matter."

Now, this must be true, that both the matter of taxation and the matter of the power of both the State and National Governments to tax were submitted here. The mere fact that the conferees wrote in an exception does not introduce a new subject matter.

Mr. POINDEXTER. The subject matter that was submitted to the conferees was Government control of railroads, and if that subject matter can be disposed of at their discretion by the conference committee, of course there is no use to discuss it any further.

Mr. BORAH. The Senator does not state my position as I understand it to be. I say that not only the subject of railroad control but the subject of the taxation of railroads and the subject of the relationship of the National Government and the States to the taxation of these railroads were submitted.

Mr. POINDEXTER. But the subject of the limitation upon interference with the power of the State was not submitted, because that was agreed upon by the two Houses.

Now, there is just one other matter that I should like to ask the Senator from Idaho about, because it is a very interesting and a very important one and has a vital bearing upon the proper disposition of this question. I understood the Senator to express the opinion that Congress has no power under the Constitution to limit the taxing power of the States in this matter. I agree with the Senator that as to private property in the States or property which is not owned by the Federal Government or under the control of the Federal Government that doctrine would apply, but I have very grave doubt as to whether, as to property which is under the control of the Federal Government and is an agency of the Federal Government for the execution of Federal law, the Federal Government has not power to interfere with the taxing power of the State.

Mr. BORAH. I have no doubt at all that mere agencies of the Government can not be taxed. I had not looked upon this proposition, however, as that kind of an instrumentality. Here is private property. It remains private property. The Senator would not contend but that the State has the power to tax this property according to the precedents heretofore existing? The Senator would not contend, for instance, that the State of Washington can not levy the same tax upon its railroads within the State that they levied prior to the war.

Mr. POINDEXTER. I contend, Mr. President, that as a matter of policy the power of the State to tax ought not to be interfered with. I am very firmly convinced that that is the proper policy to pursue; but I am inclined to the opinion that as a matter of law the Federal Government now having the possession and control and the operation of these roads, consequently they being an agency of interstate commerce which is being conducted by the Federal Government, the Federal Government if it chooses to adopt that policy can interfere either with the taxing power or any other power of the State that relates to this particular property.

Mr. BORAH. Mr. President, the power to tax State instrumentalities does not rest upon any provision of the Constitution. There is no provision of the Constitution which says the National Government can not tax State instrumentalities.

Mr. POINDEXTER. But there is an amendment of the Constitution which reserves to the States or the people of the States the powers not granted to the Federal Government.

Mr. BORAH. That is still in existence, if there is any part of the Constitution in existence, which it would sometimes seem to



be doubtful. I am hoping, however, it may still be a part of our governmental machinery and will long remain so.

Mr. SMOOT. May I ask the Senator from Idaho a question before he takes his seat? If I understood the Senator correctly, he takes the position that when a bill passes the Senate and goes to the House and the House strikes out all after the enacting clause and inserts a substitute, then the subject matter of the bill can be handled in any way and changed in any way by the conferees. In other words, if a tariff bill that has reference to the revenue passes the House carrying a certain rate of taxation, and that bill comes to the Senate and the Senate strikes out all after the enacting clause and inserts a new bill, but upon one particular item the rate in the House bill was the same identical rate as that in the Senate bill, then when it goes to conference does the Senator hold that the conference can change that rate?

Mr. BORAH. Yes. What I said, Mr. President, was this: I have not read the opinion, I suppose, in 10 years, which was delivered long ago. The Supreme Court, if I remember the decision correctly, announced a rule which would make any amendment germane so long as it dealt with the general subject matter.

Mr. SMOOT. If that were the case, then the Senate or the House could by striking out all after the enacting clause and inserting another bill, with very few changes, place the power in the hands of the conferees to control legislation. I can not see that that was ever intended by our form of Government.

Mr. BORAH. Mr. President, I may be in error. I think I can determine it if the conference report continues under discussion.

Mr. POMERENE obtained the floor.

Mr. GORE. I desire to submit a question to the Senator from Idaho.

The PRESIDENT pro tempore. Does the Senator from Ohio yield to the Senator from Oklahoma for that purpose?

Mr. POMERENE. I yield for that purpose.

Mr. GORE. I should like to ask the Senator from Idaho if the rule laid down in the courts is not this, that they have said the enrolled act is final, that it proved itself. They indulge a conclusive presumption, I believe, as to what the parliamentary procedure is, and I think they have uniformly declined to inquire as to the fact whether or not the rules of the legislative bodies were observed, but they held conclusively that they were observed.

The Senator will remember that the enrolled McKinley tariff act showed a section put in that had not passed either House, which had not even been considered by either House, and yet the Supreme Court held that that act proved itself and that the procedure was regular. I do not think it can be contended that the Supreme Court would void this particular provision on the ground that it originated in conference. They would not hold that a violation even of the rules of the Senate would void the act.

Mr. BORAH. But the question arose in that case, if I remember correctly, by reason of the fact that the provision had originated in the Senate where it would have no right to originate, and therefore the constitutional question was preserved.

Mr. GORE. I was not adverting to the case which the Senator has in mind. I was referring to the McKinley Act in which a section appeared that neither House had considered.

Mr. BORAH. I am familiar with the rule, and the Senator states it correctly. Certain conclusive presumptions are indulged with reference to the regularity of the proceedings of the legislative body.

Mr. MARTIN. Mr. President, I suggest to the chairman of the committee having the conference report in charge that it would be well if he would lay it aside for the present. I would like very much to proceed with the urgent deficiency bill. That would give an opportunity for an investigation of the very important questions that have been raised in connection with the conference report. I merely make the suggestion to him that I would be very glad if he would consent to lay it aside.

Mr. FRELINGHUYSEN. Mr. President—

Mr. SMITH of South Carolina. Mr. President, that course is agreeable to me.

Mr. FRELINGHUYSEN. Then I understand the decision on the point of order will be reserved.

Mr. MARTIN. It will be reserved. The whole matter will be reserved. It will go over, pending the consideration of the point of order.

The PRESIDENT pro tempore. Without objection, the matter goes over, pending the consideration of the point of order.

Mr. FRELINGHUYSEN. I wish to say just a word.

Mr. POMERENE. Mr. President, I thought I had the floor.

The PRESIDENT pro tempore. The Chair will say to the Senator from Ohio he was recognized and then the Senator from Virginia, by his consent, was recognized. Does the Senator from Ohio yield to the Senator from New Jersey?

Mr. POMERENE. I yield to the Senator from New Jersey.

Mr. FRELINGHUYSEN. I only want to say, and it will take only a minute to say it, that when the railroad bill came before the Senate there was great anxiety expressed in the States by reason of the vast powers it conferred upon the Director General of Railroads. In New Jersey the returns from our taxes on the railroads go directly to the public schools, amounting to about \$8,000,000 per annum. There was fear that under the powers conferred the Director General might interfere with that taxation. The governor of New Jersey telegraphed me, after he had conferred with many of the governors of other States, that there was united protest. I saw the Director General, who stated to me that the United States Government did not become the owner of the railroads under the act; that it was only the user of the railroads; and therefore, leaving out the amendment which I had submitted to the Senate—which was proposed by me and finally passed in both Houses—the United States Government could not interfere with the taxing powers of the State. However, the governor of New Jersey and many of our citizens in the State were uncertain as to the decision of the Director General, and therefore I pushed the amendment. The amendment provided in the Senate and House that there should be no interference by the Federal Government with the taxing powers of the State. The rule under which I made the point of order, and which protected my amendment, provided that there should be no new matter inserted. The introduction of the conference proviso practically voids the action of the Senate and House, as far as this provision is concerned. This provision inserted by the conference committee nullifies that act—it negatives it—and therefore if the Chair fails to sustain the point of order practically the conference committee is legislating contrary to the will of both the Senate and the House. Then why should we have a Senate? Why should we not appoint a conference committee to enact all legislation?

Mr. POMERENE. Mr. President—

The PRESIDENT pro tempore. May the Chair inquire, before the Senator proceeds, has the Senator from South Carolina asked that the conference report be temporarily laid aside?

Mr. SMITH of South Carolina. Yes; I make that request.

The PRESIDENT pro tempore. The Chair thinks that in justice to the Chair itself he ought to say that he has been ready to decide the question for quite an hour, and that he has simply been permitting the discussion to proceed because it is the first decision under the rule and the Chair thought that course proper. Without objection, the conference report will be laid aside.

Mr. FRELINGHUYSEN. I call for a decision on the point of order I made.

The PRESIDENT pro tempore. The Senator from South Carolina asks that the report be laid aside.

Mr. POMERENE. I will state, if I may be permitted to say a word—

The PRESIDENT pro tempore. The Senator from Ohio has been recognized.

Mr. POMERENE. I will yield at all reasonable times and to all Senators, but there is a moment when forbearance ceases to be a virtue.

Mr. President, if this matter is to be decided now, it is my desire to submit a few remarks in presenting my views upon the subject. If the matter is to go over, I prefer to say what I may desire to-morrow after I have had a little further time to investigate the proposition.

The PRESIDENT pro tempore. The Chair understands unanimous consent to be given to the request of the Senator from South Carolina laying aside the conference report temporarily.

Mr. POMERENE. Suffice it to say for the time being I do not agree with the narrow construction which it has been sought to place upon the new rule which we adopted the other day. In other words, I believe that this conference report in no respect violates that rule. In the second place, I am in entire accord with those who desire to preserve the powers of the States, but I want them so preserved that the States may not be permitted to hamstring the Government in time of war.

Again, I desire to make this suggestion, and then I have done for to-day on this subject. I do not believe that this limitation upon the power of a State in any way violates the Constitution

of the United States. I may amplify that position somewhat to-morrow.

Mr. GALLINGER. Mr. President, speaking to the report which has been under consideration, I ask to have the telegram which I send to the desk read, as I desire it to go in to-morrow's issue of the discussion.

The PRESIDENT pro tempore. Without objection, the Secretary will read the telegram. The Chair hears none.

The Secretary read as follows:

MANCHESTER, N. H., March 11, 1918.

Hon. JACOB H. GALLINGER,  
United States Senate, Washington, D. C.:

The increase in value of railroad property in this State from its present low point is likely to be relatively greater than other property. Under the railroad bill the excess of increase could not be taxed. This will work a hardship and conflict with our constitution, which requires proportionality of taxation, and our statute, which requires assessment at full value. The situation will be very difficult.

ALBERT O. BROWN,  
Chairman Tax Commission.

#### URGENT DEFICIENCY APPROPRIATIONS.

Mr. MARTIN. I ask that House bill 9867, the urgent deficiency appropriation bill, be laid before the Senate and proceeded with.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 9867) making appropriations to supply urgent deficiencies in appropriations for the fiscal year ending June 30, 1918, and prior fiscal years, on account of war expenses, and for other purposes.

Mr. SMOOT. Mr. President, many Senators are not aware that the urgent deficiency appropriation bill is now before the Senate. They expected a decision upon the conference report before this bill was brought before the Senate. For that reason I suggest the absence of a quorum, that they may have a chance to be here.

The PRESIDENT pro tempore. The Secretary will call the roll.

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

Baird	Hitchcock	Nugent	Sutherland
Bankhead	Hollis	Overman	Swanson
Beckham	Johnson, Cal.	Poindestexter	Thomas
Borah	Kellogg	Ransdell	Thompson
Culberson	Kendrick	Reed	Townsend
Curtis	Kenyon	Saulsbury	Trammell
Dillingham	Kirby	Shafroth	Underwood
Fletcher	Knox	Sheppard	Vardaman
France	McKellar	Sherman	Wadsworth
Frelinghuysen	McLean	Smith, Ariz.	Warren
Gallinger	McNary	Smith, Md.	Weeks
Gronna	Martin	Smith, Mich.	Williams
Hale	Myers	Smith, S. C.	
Harding	New	Smoot	
Hardwick	Norris	Stone	

Mr. OVERMAN. I wish to announce that my colleague [Mr. SIMMONS] is unavoidably absent from the city on important business.

Mr. McKELLAR. I desire to announce the unavoidable absence of the Senator from Utah [Mr. KING], the Senator from Delaware [Mr. WOLCOTT], and the Senator from South Dakota [Mr. STERLING] on official business.

The PRESIDENT pro tempore. Fifty-seven Senators have answered to their names. There is a quorum present. The pending amendment will be stated.

The SECRETARY. On page 2, after line 9, the Senator from Virginia [Mr. MARTIN], on behalf of the Committee on Appropriations, moves to insert the following:

The President is hereby authorized to acquire the title to the docks, piers, warehouses, wharves, and terminal equipment and facilities on the Hudson River now owned by the North German Lloyd Dock Co. and the Hamburg-American Terminal & Navigation Co., two corporations of the State of New Jersey, if he shall deem it necessary for the national security and defense: *Provided*, That if such property can not be procured by purchase, then the President is authorized and empowered to take over for the United States the immediate possession and title thereof. That if any such property shall be taken over as aforesaid, the United States shall make just compensation therefor, to be determined by the President, and if the amount thereof, so determined by the President, is unsatisfactory to the person entitled to receive the same, such person shall be paid 75 per cent of the amount so determined by the President and shall be entitled to sue the United States to recover such further sum as, added to the said 75 per cent, will make up such amount as will be just compensation therefor, in the manner provided for by section 24, paragraph 20, and section 145 of the Judicial Code. Upon the taking over of said property by the President as aforesaid, the title to all such property so taken over shall immediately vest in the United States: *Provided further*, That section 355 of the Revised Statutes of the United States shall not apply to any expenditures herein or hereafter authorized in connection with the property acquired.

The PRESIDENT pro tempore. The question is on agreeing to the amendment.

Mr. GALLINGER. Mr. President, it is proper the Record should show that while this amendment is reported by the committee it is not a unanimous report of the committee. There was some of us who did not agree to it.

The PRESIDENT pro tempore. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. MARTIN. I send to the desk an additional amendment.

The PRESIDENT pro tempore. It will be read.

The SECRETARY. It is proposed to follow the amendment just agreed to by inserting with the following language:

That section 12 of the "trading with the enemy act" be, and hereby is, amended so as to read as follows:

SEC. 12. That all moneys (including checks and drafts payable on demand) paid to or received by the alien property custodian pursuant to this act shall be deposited forthwith in the Treasury of the United States, and may be invested and reinvested by the Secretary of the Treasury in United States bonds or United States certificates of indebtedness, under such rules and regulations as the President shall prescribe for such deposit, investment, and sale of securities; and as soon after the end of the war as the President shall deem practicable such securities shall be sold and the proceeds deposited in the Treasury.

All other property of an enemy, or ally of enemy, conveyed, transferred, assigned, delivered, or paid to the alien property custodian hereunder shall be safely held and administered by him except as hereinafter provided; and the President is authorized to designate as a depository, or depositaries, of property of an enemy, or ally of enemy, any bank, or banks, or trust company, or trust companies, or other suitable depository, or depositaries, located and doing business in the United States. The alien property custodian may deposit with such designated depository, or depositaries, or with the Secretary of the Treasury, any stocks, bonds, notes, time drafts, time bills of exchange, or other securities, or property (except money or checks or drafts payable on demand, which are required to be deposited with the Secretary of the Treasury), and such depository or depositaries shall be authorized and empowered to collect any dividends or interest or income that may become due and any maturing obligations held for the account of such custodian. Any moneys collected on said account shall be paid and deposited forthwith by said depository or by the alien proper custodian into the Treasury of the United States as hereinbefore provided.

The President shall require all such designated depositaries to execute and file bonds sufficient in his judgment to protect property on deposit, such bonds to be conditioned as he may direct.

The alien property custodian shall be vested with all of the powers of a common-law trustee in respect of all property, other than money, which has been or shall be, or which has been or shall be required to be, conveyed, transferred, assigned, delivered, or paid over to him in pursuance of the provisions of this act, and, in addition thereto, acting under the supervision and direction of the President, and under such rules and regulations as the President shall prescribe, shall have power to manage such property and do any act or things in respect thereof or make any disposition thereof, or of any part thereof, by sale or otherwise, and exercise any rights or powers which may be or become appurtenant thereto or to the ownership thereof in like manner as though he were the absolute owner thereof. It shall be the duty of every corporation incorporated within the United States and every unincorporated association or company or trustee or trustees within the United States issuing shares or certificates representing beneficial interests to transfer such shares or certificates upon its, his, or their books into the name of the alien property custodian upon demand, accompanied by the presentation of the certificates which represent such shares or beneficial interests. The alien property custodian shall forthwith deposit in the Treasury of the United States, as hereinbefore provided, the proceeds of any such property or rights so sold by him.

Any money or property required or authorized by the provisions of this act to be paid, conveyed, transferred, assigned, or delivered to the alien property custodian shall, if said custodian shall so direct by written order, be paid, conveyed, transferred, assigned, or delivered to the Treasurer of the United States with the same effect as if to the alien property custodian.

After the end of the war any claim of any enemy, or of an ally of enemy, to any money or other property received and held by the alien property custodian or deposited in the United States Treasury shall be settled as Congress shall direct: *Provided*, however, That on order of the President, as set forth in section 9 hereof, or of the court, as set forth in sections 9 and 10 hereof, the alien property custodian or the Treasurer of the United States, as the case may be, shall forthwith convey, transfer, assign, and pay to the person to whom the President shall so order, or in whose behalf the court shall enter final judgment or decree, any property of an enemy, or ally of enemy, held by said custodian or by said Treasurer, so far as may be necessary to comply with said order of the President or said final judgment or decree of the court: *And provided further*, That the Treasurer of the United States, on order of the alien property custodian, shall, as provided in section 10 hereof, repay to the licensee any funds deposited by said licensee.

The PRESIDENT pro tempore. The question is on agreeing to the amendment.

Mr. DILLINGHAM and Mr. FRELINGHUYSEN addressed the Chair.

The PRESIDENT pro tempore. The Senator from Vermont.

Mr. DILLINGHAM. I will ask the chairman of the committee to tell us how this amendment changes the present law?

Mr. MARTIN. Mr. President, under the present law the Custodian of Alien Enemy Property takes such property into custody, but he has no authority to sell it. The Custodian of Alien Enemy Property appeared before the committee, as the Senator from Vermont no doubt will recall, and stated that he was now conducting business—a very large business—in our own country and in our island possessions and making enormous profits, and he thought that he ought not to be conducting, and the United States Government ought not to require him to conduct, this large business for the profit, possibly, of our enemies—the



German Empire. I will read briefly what Mr. Palmer said. His statement is not long, but still I shall not read the whole of it, by any means. Mr. Palmer stated:

I am to-day operating factories and mills and industries all over the United States. Through my directors representing the enemy stock I am making chocolate in Connecticut, rails in Pennsylvania, woollens and worsteds in New Jersey, dyes and chemicals in New York, lumber in Florida, raising sugar in Porto Rico and Hawaii, raising tobacco in many States in the South, making beer in Chicago, lead pencils in New Jersey, and conducting all these various kinds of business and many others, most of which are making enormous profits by reason of the very conditions for which the enemy is responsible, namely, the war conditions. If I must simply sit here, holding the stock of these companies making these enormous profits out of the war, with the possibility of returning both principal and profits, to the German owners at the end of the war, I am doing a tremendous favor to the German Empire, our enemy.

Senator GALLINGER. What would be the alternative, Mr. Palmer?

Mr. PALMER. The alternative would be to account for these properties as of their value at the time I took them over when the war broke out, sell them to American capital, let Americans run them, separate them permanently and entirely from German control, put the money in the Treasury, invest it in Government bonds to fight the war with, and when the war is over, if any accounting has to be made, say to those who claim an accounting, "Here is the value of your property when the war broke out in the Treasury of the United States in cash."

Senator DILLINGHAM. Has the German Government any interest in the various industries which you have mentioned?

Mr. PALMER. We have not gotten to the bottom of that, Senator. We run into things that makes us think that the German Government has.

I might read further, but what I have read gives the gist and the kernel of the situation. These industries, spreading from one end of our country to the other—most valuable manufacturing enterprises and industries—are being operated now by an officer of the United States Government, who may be called upon to account at the end of the war to German owners.

Right in that connection, Mr. President—I shall not go on if the Senator from Vermont is desirous of making a further statement, for I do not wish by an answer to his question to interfere with any line of debate which he may desire to pursue.

Mr. DILLINGHAM. I desire the Senator from Virginia to proceed.

Mr. MARTIN. There has been an impression, Mr. President, that there are treaties between the United States and the German Empire which provide that in case of war foreign-owned property in this country should be preserved and turned over to its owners at the end of hostilities. I have caused that question to be investigated by the State Department, and I hold in my hand the memorandum which has been sent to me by one of the law officers of that department. I shall not read it unless it is desired.

Mr. THOMAS. I ask the Senator to read it.

Mr. KENYON. I wish the Senator from Virginia would read it.

Mr. MARTIN. I presume it would be well for the Secretary to read it, and I send it to the desk and ask that it may be read. I ask the Secretary to read the extract from the only treaty which touches this subject, and which extract, in my opinion, absolutely relieves us from any treaty obligation to account for any of this property. International law does not require it, though there has been a diversity of decisions in Anglo-Saxon countries, particularly, on that question. There is, however, no rule which requires our country when it goes to war, at the end of the war, to account to enemy citizens for property found here.

Speaking for myself alone, and, I think, voicing the sentiment of the American people, I have no hesitation in saying that if the German people ever get any compensation for this property it will be after they have compensated American citizens for the millions of dollars' worth—I may say almost billions of dollars' worth—of property of our people which they have destroyed ruthlessly and in violation of the principles of international law.

Mr. McCUMBER. Mr. President—

The PRESIDENT pro tempore. Does the Senator from Virginia yield to the Senator from North Dakota?

Mr. MARTIN. I yield.

Mr. McCUMBER. May I ask the Senator a question before the reading of this paper begins?

Mr. MARTIN. Yes.

Mr. McCUMBER. Of course, we are all agreed that war of itself will destroy any treaty and render it worthless between the two countries at war; but, if I remember rightly, the treaty under consideration was a treaty made in contemplation of war, and provided that in case of war this and that should be the rights of the belligerent powers.

Mr. MARTIN. That is true; but this and that and the other—fixing the rights of belligerent parties—does not go to the extent of requiring us, in this instance, to account for this prop-

erty. The treaty does not, in my opinion, embrace this question at all. At the end of the war we shall be free to deal with this subject as the moral sense of this country and the interests of the American Republic require us to deal with it. We shall be under no treaty constraint in respect to it. I think when the paper which I have sent to the desk is read that the Senator from North Dakota will be satisfied of that.

The PRESIDENT pro tempore. Without objection, the Secretary will read the communication.

The Secretary read as follows:

MEMORANDUM FOR SENATOR MARTIN.

MARCH 7, 1918.

(1) The only treaty in force with Germany which might be regarded as relating to protection of German property in the United States in time of war is Article XXIII of the treaty of 1799, which reads as follows:

"If war should arise between the two contracting parties, the merchants of either country then residing in the other shall be allowed to remain nine months to collect their debts and settle their affairs, and may depart freely, carrying off all their effects without molestation or hindrance; and all women and children, scholars of every faculty, cultivators of the earth, artisans, manufacturers, and fishermen, unarmed and inhabiting unfortified towns, villages, or places, and in general all others whose occupations are for the common subsistence and benefit of mankind, shall be allowed to continue their respective employments, and shall not be molested in their persons, nor shall their houses or goods be burnt or otherwise destroyed, nor their fields wasted by the armed force of the enemy into whose power by the events of war they may happen to fall; but if anything is necessary to be taken from them for the use of such armed force the same shall be paid for at a reasonable price."

(2) As a general rule, treaties of amity and commerce, such as this one is, are discontinued or terminated by war between the contracting parties, except as to articles especially providing for the condition of war. As Article XXIII, above quoted, contemplates a state of war, it is regarded as in force between the United States and Germany.

(3) The nine months' period mentioned in Article XXIII expired on January 6, 1918. Consequently the merchants residing in either country may no longer "depart freely, carrying off all of their effects," as provided in Article XXIII.

(4) The word "effects" in this article is a translation of the French word "biens" in the French text of the original signed copy of the treaty. It is understood that the word "biens" is one of the broadest words in the French language to include all kinds and forms of property.

(5) It will be observed that this article provides that those enemies of certain classes who remain in the United States shall not be molested in their persons, nor have their property burnt or otherwise destroyed, nor their fields wasted by the armed force of the enemy, but that if anything is taken from them for the use of such armed force they shall be paid therefor at a reasonable price. Although it is not entirely clear, it is arguable that these provisions protect these Germans in their persons and property from the armed forces of the United States or from the taking of their property for the use of armed forces except upon compensation. If this is true, other German property in the United States—that is, German property not subject to molestation or destruction or "taking" by or for the use of armed forces—may be dealt with in accordance with the law and practice of nations.

(6) As to the disposition of enemy private property in the territory of the other belligerent, there appear to be two views among authorities. According to the one view, they should be exempt from confiscation except in the exigency of military necessity, public safety, reprisals, etc. This seems to be the European continental view. According to the other view, largely entertained by Anglo-American writers, the sovereign is supposed to possess the right to require confiscation if this should be found necessary, but leans toward a general policy of exemption. The difference, in effect, between these two views does not appear to be very great. It would seem, however, that the practice of nations as a rule recognizes the exemption of private property as a policy which ought to be followed save in exceptional cases.

(7) In respect to taking over German refugee merchantmen in the United States at the outbreak of the war, and in respect to the control of enemy private property in the United States by the alien property custodian, Congress has not passed upon the question of the final disposition to be made of such enemy property.

Mr. MARTIN. Mr. President, a careful reading of the treaty provisions satisfies me that if we make any accounting to the German Empire or to citizens of the German Empire at the end of this war for the German-owned property now within our borders that accounting will not have to be made under the provisions of that treaty. The owners of this property did not remain in the United States; they are not in the United States now; they are abroad and waging war on the United States, and that war has created the extravagant profits which are accruing under the management of the alien property custodian. Of course, whether we will account for it or not will be a matter to come up at the end of the war; but whether or not we have to account for the property or not at the end of the war, it is inconceivable that any Senator can contend that we are under obligations to take care of that property, operate that property, and make the enormous profits which are accruing now day by day by reason of this war so ruthlessly waged by the German Empire, in order to augment the sum to be accounted for at the end of the strife.

Mr. KNOX. Mr. President—

The PRESIDENT pro tempore. Does the Senator from Virginia yield to the Senator from Pennsylvania?

Mr. MARTIN. I yield to the Senator.

Mr. KNOX. I desire to inquire of the Senator from Virginia, because I have not been able to get a copy of the amendment

which is now before the Senate, how broad is this provision, and what class of property is it proposed to authorize the alien property custodian to sell in this way?

Mr. MARTIN. The custodian is authorized, in his discretion, to sell any or all of the German-owned property which he has taken over.

Mr. KNOX. Whether it belongs to individuals or to corporations?

Mr. MARTIN. Any German-owned property, any alien-enemy property which comes into his possession.

Mr. KNOX. Now, Mr. President, as I heard read the letter from the Department of State, it seems to me that it omitted perhaps the most essential feature of the treaty. Article 23 of the treaty of 1799, which was revived by the treaty of 1828 and carried into the treaty of 1828, which I believe both countries have regarded as in force up to the present time, in the first place deals with merchants. It says that they shall be allowed nine months to settle their affairs and depart freely, and so forth, from the United States. That is all there is about the merchants. The merchants are the only class that are required within the nine months to depart from the United States.

Mr. MARTIN. That is correct.

Mr. KNOX. There is a certain class permitted to remain, and as to that class I did not catch the reference in the letter of the Secretary of State—and all women and children—

This portion of article 23 of the treaty he did quote—  
scholars of every faculty, cultivators of the earth, artisans, manufacturers, and fishermen, unarmed and inhabiting unfortified towns, villages, or places, and in general all others whose occupations are for the common subsistence and benefit of mankind, shall be allowed to continue their respective employment—

That is, they shall be allowed to remain in the United States and continue the various employments, including manufacturing, artisanship, and cultivation of the soil.

Now, what I want to inquire of the Senator from Virginia is this: Is this legislation supposed to be in aid of the policy announced by Mr. A. Mitchell Palmer in the testimony which the Senator has read, and, if so, does it proceed upon the theory that this treaty is now in force?

Mr. MARTIN. The extract which the Senator read, I think, is contained in the paper that I sent to the desk.

Mr. KNOX. This is the twenty-third article of the treaty of 1799, revived in 1828, and which was partially quoted in the letter from the Department of State.

Mr. MARTIN. As I understand, the parties owning this property which Mr. A. Mitchell Palmer has taken into custody are not residing in this country.

Mr. DILLINGHAM. Mr. President, I do not think that appeared before the committee. I should like to have the Senator quote the testimony to that effect.

Mr. MARTIN. I do not say that Mr. Palmer distinctly stated that; I said my understanding of the matter was that the owners of this property which has been taken over are not now in this country. He said that the owners of this property were of the junker class in Germany; that is, the large capitalists of Germany own the property which he has taken over and is now operating.

Mr. KNOX. Will the Senator permit me to occupy another moment?

Mr. MARTIN. I will.

Mr. KNOX. I want the Senator to understand that what I have said is without any intention of indicating any position that I occupy on this amendment; I want to get at what the suggestion is, and particularly to know whether this legislation is designed to carry into effect the new policy which is avowed by Mr. Palmer in his testimony. I want to read a small paragraph here from Mr. Palmer's testimony, in view of what the Senator has read. In reply to Senator HARDWICK, Mr. Palmer said:

American interests in Germany are negligible compared with German interests in this country.

In other words, we conceive that there ought to be a line drawn between the two kinds of German investments in this country. The ordinary investment of the plain German citizen ought to be taken over by the alien property custodian and held as against the time when the distribution of it will be made, probably in kind, to somebody under the act of Congress at the end of the war; but the investment in this country, which is so close to the German Empire's control that it amounts to a part of the German industrial and commercial hold upon America and American insular possessions, ought to be treated a little differently.

Then he goes on to state how it should be treated; that is, that it should be sold to Americans, so that the proceeds of the operations from this time forth shall go into the pockets of American citizens instead of into the pockets of the present German owners.

Now, if the Senator will permit me to repeat my question, is this legislation authorizing Mr. Palmer to sell the classes of property enumerated in the amendment, intended to carry out that policy; and, if it is intended to carry out that policy, is it upon the theory that the treaty is binding or that the treaty is not binding?

I recognize, Mr. President, that a very strong argument can be made, even under the language of this treaty, that corporations are not included within the terms of article 23; I can understand how it can be contended that while we should be bound to allow farmers and manufacturers to continue their respective employments—and we know what "manufacturers" meant in 1799; it meant people who made goods by their hands; it did not contemplate the great aggregations of capital and the hundreds of men who have been planted upon our soil as a part of the German economic policy to get a holding in foreign countries. I can understand all that, but I should like to know what the administration's understanding of this treaty is, because this treaty says in terms:

And it is declared—

Reading now from the next article—Article XXIV—

And it is declared that neither the pretense that war dissolves all treaties, nor any other whatever, shall be considered as annulling or suspending this and the next preceding article, but, on the contrary, that the state of war is precisely that for which they are provided, and during which they are to be as sacredly observed as the most acknowledged articles in the law of nature and nations.

Now, are we discharged from the sacred obligation to observe this treaty as we are bound to observe the law of nature and the law of nations, or are the classes of property which it is proposed to sell under this amendment not within the terms of the treaty? It is the attitude of the Government upon those two propositions in regard to which I should like to be satisfied before coming to a conclusion as to how I shall vote upon this amendment.

If the Senator will permit me further, I desire to add this thought: Senators will observe that these articles are to be "as sacredly observed as the most acknowledged articles in the law of nature and nations." Is that a standard upon which the existence of this treaty depends? Is that a standard which, if broken by either nation, will give the other the moral right to abrogate the treaty? In other words, if this Government has found as a fact that the German Government has violated the law of nature and has violated the law of nations during this war, is that a justification for us ignoring the whole treaty, and does the Government take that position? What I should like is light.

Mr. MARTIN. Mr. President, Mr. Palmer in the course of his testimony—I will not take the time to read further extracts from it—distinctly stated that he was announcing no policy for the United States in respect to this matter; that he had no authority to announce any policy, and was not undertaking to announce any policy for the American Government in respect to what should be done in relation to this property at the end of hostilities.

Mr. DILLINGHAM. Mr. President, may I make an inquiry?

Mr. MARTIN. Certainly.

Mr. DILLINGHAM. Did not Mr. Palmer expressly state that he wanted to inaugurate the policy of taking possession of the property and selling it, and then holding the proceeds until the close of the war?

Mr. MARTIN. Undoubtedly he did.

Mr. DILLINGHAM. Certainly, he did.

Mr. MARTIN. He did not, however, announce any policy; he distinctly stated that he had no right to announce any policy as to what should be done with the proceeds of this property at the end of the war. He did say that he did not think we were called upon to operate this property and make enormous profits out of it, made possible by the war brought on by Germany, with a view to accounting for these enormous profits at the end of hostilities. So far as I am concerned, I do not feel myself called on to express any opinion about what the most enlightened and just course would be at the end of hostilities further than to say that I can not see the slightest particle of obligation upon us to operate this property and make enormous profits out of it, to be accounted for in any contingency to the German people or to the German Government at the end of the war. I think the utmost that we could be called upon to do would be, if we account for anything, to account for the value of the property at the time we took it over; and if we account for it at all, Mr. President, if we account even for the value of it when we took it over, it is inconceivable, to my mind, that we should account for it unless they come into this accounting themselves and account for the destruction they have brought about and



for the havoc they have caused to the property of American citizens.

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

Mr. MARTIN. I will.

Mr. DILLINGHAM. Mr. Palmer, if the Senator will read a little further, testified as follows:

Germany is doing with us exactly what we are doing with her. She is following along. She is making inquiry constantly to find out just how far we are going with German property.

Senator HARDWICK. She will do, of course, whatever we do.

Mr. PALMER. She will do what we do; exactly.

Senator HARDWICK. And she is now doing just what we are doing?

Mr. PALMER. She is now doing what we are doing; and she may take no step in advance of what we do, because the balance is against her.

So it appears that so far as the observance of this treaty is concerned, and the treatment of American property in Germany, Germany has observed the treaty, and is watching us to see whether or not we do the same.

Mr. MARTIN. We do not know whether Germany is observing the treaty or not. As I have stated, in my opinion that does not enter into this matter at all. That is my personal and individual opinion, and my opinion as a lawyer, after having read this treaty. I do not believe it controls in this matter. But whether it controls or not, the utmost that can be expected of us under the treaty or under the most enlightened ideas of modern warfare would be to account for the value of the property when we took it over. We can not be under any obligation to operate that property, and make enormous war profits out of the ruthless and devastating war that has been waged upon us by the German Empire.

So I say that we are strictly within our rights—strictly within our rights under the treaty, strictly within our rights under international law, strictly within our rights under the most humanitarian view that can be taken of modern war—when we preserve this property with an idea that we may have to account for it at its actual value when we took it over. We can be under no obligation under the treaty, under the laws of nations, or under the laws of humanity, to operate this property and make enormous war profits to be accounted for to Germany when peace is declared. Whenever an accounting is made the balance will be on the side of America. I confess, Mr. President, that it will take a very strong case, it will take a most extraordinary case, to make me feel like turning over one dollar of this property at the end of the war to the German Empire or to subjects of the German Empire.

Mr. President, as I have stated, it is inconceivable to my mind that any Senator can feel that an obligation rests upon the American Government to operate this property and make enormous profits out of it and turn them over to German citizens or to the German Empire when this war is over. This amendment does not deal with what we shall do after the war. It does not deal with what shall be done. Mr. Palmer expressed some opinions of his own, and I perhaps have gone further than I was called upon to go in expressing my own opinions, though I feel them deeply.

Mr. NORRIS. Mr. President—

The PRESIDENT pro tempore. Does the Senator from Virginia yield to the Senator from Nebraska?

Mr. MARTIN. I yield to the Senator.

Mr. NORRIS. I want to ask the Senator a question that I think will give me, at least, some enlightenment on this subject. I do not know so much about the nature of this property, but I agree with the Senator that we ought not to operate it for the purpose, at least, of making profits while we have it; but why is that necessary?

If we are operating the property, why do we not operate it so that there will not be such great profits?

I do not know whether that is possible or not, because I do not understand as well as the Senator does about the nature of the property; but it seems to me that if we are operating a factory we might sell the output for a great deal less and not make such a big profit.

Mr. MARTIN. I suppose the Senator was not on the floor when I read what Mr. A. Mitchell Palmer said on that subject.

Mr. NORRIS. Yes; I heard what the Senator read, but Mr. Palmer spoke in very general terms.

Mr. MARTIN. No; he said he was making chocolate in Connecticut—

Mr. NORRIS. Why does he not sell the chocolate cheaper, so that he will not make so much profit?

Mr. MARTIN. If he is going to do business, I take it that he ought to do it in good faith. These are stock companies, and there may be some American owners as well as German owners of the stock; but he only takes over the stock of the German owners.

Mr. NORRIS. But he will not make enough chocolate to break the market.

Mr. MARTIN. That was the first item he happened to mention. He mentioned, in addition to chocolate, rails in Pennsylvania, woollens and worsteds in New Jersey, dyes and chemicals in New York, lumber in Florida, sugar in Porto Rico and Hawaii, tobacco in many States of the South, beer in Chicago, and lead pencils in New Jersey. He says he is conducting all of these various kinds of business, and many others, most of which are making enormous profits by reason of the very conditions for which the enemy is responsible, namely, the war conditions. He goes on later here to say that in taking over the stock in these various enterprises he took over only German-owned stock. There was some American-owned stock which he did not take over; and I take it that if he is going to conduct a business in which some shares, even though they are very few, are American owned, he ought to conduct it in good faith. He says that he is making enormous profits out of the various businesses which have devolved upon him under the alien enemy act.

Mr. President, what we will do with the value of this property at the end of the war is a matter of national policy that will have to be determined at the peace table. It is inconceivable to me that we will account for this property unless we hold Germany to an accounting for the ruthless destruction that she has visited on American citizens all over the world. In making that accounting, if we every make any—and, as I stated before, I do not believe we are under any treaty obligation to make any accounting at all, the terms of that treaty, as I construe them, do not control in this matter to any degree—but if we are to make any accounting it will be an accounting which will be accompanied by an accounting from Germany, and in which accounting the balance will be, I am sure, in favor of American citizens and the American Government and not in favor of Germany.

This amendment simply provides that this property shall be put fairly on the market; that it shall be sold; and that the proceeds shall be put in the Treasury of the United States and invested in liberty bonds or the proceeds in some way used for the prosecution of this war, which has been precipitated upon us by the barbarous conduct of the German Empire. We do not go at all into the policy after the war. We can not do that. That is a matter of the future; but we can fix the value of the property by putting it on the market now, and not enhance the value of the property by operating it and making enormous profits to be brought into the accounting at the end of the war.

Mr. President, I believe that presents the matter about as succinctly as I can present it, and about as it was brought to the attention of the committee by Mr. Palmer, who said he was tired of operating these properties and making enormous profits that will have to be accounted for to the German people, our enemies, when the war is over.

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

The PRESIDENT pro tempore. Does the Senator from Virginia yield to the Senator from North Dakota?

Mr. MARTIN. Certainly.

Mr. GRONNA. I understood the Senator to say that Mr. Palmer is now operating certain breweries. Is that true?

Mr. MARTIN. I think so; yes.

Mr. GRONNA. Is there not reason to believe that if we sell those breweries now they are worth a great deal more money at the present time than they will be a little later on, and that the Government would lose a great deal of money by that transaction? And is it not also true that the President of the United States has the power to prohibit any food product or any grain going into the manufacture of these alcoholic liquors during the war? It seems to me that the breweries should not be operated by the Government during the period of the war, and that it is not necessary to sell them, and if sold it will be to the advantage of the German Empire and it will protect their interests, and this Government would lose by the transaction.

Mr. MARTIN. Mr. President, it is not made obligatory on Mr. Palmer to sell any of this property. He is given the discretionary power, under the guidance and direction of the President of the United States, to sell such of it as will best promote the welfare and the interests of the American Government and the people of the United States.

Mr. GRONNA. I am not opposing the Senator's amendment at all; but I simply wanted to make this observation: I think it would be unwise for this Government to sell property which may be valuable at this time and which I have reason to believe will not be so valuable a little later on.

Mr. MARTIN. Mr. President, that is left entirely in the discretion of Mr. Palmer, who has shown himself a most admirable agent of the Government in this matter. He surprised me with

the thoroughness with which he has gone into the matter. He has sought out and taken over all the German-owned property that he could get in touch with anywhere. He is a man of broad views and patriotic purposes, and he is under the control of the President of the United States. This amendment simply gives him the discretionary power to sell such of this property as he believes will best promote the prosperity and welfare of the United States.

Mr. FRELINGHUYSEN. Mr. President, I notice in the report of the hearings of Mr. Palmer that he mentions several industrial plants in New Jersey that are manufacturing woolens, which, in part, are owned by German capital. Now, I agree with the Senator from Virginia that we should remove every bit of German influence that exists in this country. I agree with the Senator from Virginia that the Germans who have invested money in this country should be deprived of the unusual profits which have been afforded by this war. But when we are liquidating those German interests and granting powers to an alien-property custodian who has autocratic powers without any provisions for review, we should be careful that American interests are not interfered with.

Mr. Palmer in his evidence states that there are six or seven factories in a certain town in New Jersey whose stock is owned either wholly or in part by Germans. That is true, I believe. I am not well informed as to what amount their interest is; but I do know that in Passaic, N. J., there are several large woolen mills, one of which is owned to the extent of 80 per cent, I believe, by German citizens.

Mr. MARTIN. Mr. President, if the Senator will permit me, I think I stated it before, but Mr. Palmer said he had not taken over any of the stock in any of these enterprises except what was absolutely owned by German citizens. The American owners are getting their dividends now as heretofore. He has not interfered, and will not interfere, with the ownership of a single share in any of those properties that is in American ownership.

Mr. FRELINGHUYSEN. I understand that that is the fact; but that is an expression of good will only. I am referring to the powers that are given to Mr. Palmer in this measure.

When Mr. Palmer made his statement before the committee there was almost a panic in that little industrial town. The statement that was made was garbled, of course, but the statement was made that the Government was going to take those mills and close them down because they were partly owned by German interests. What I am interested in is that the powers of the custodian shall be so limited that if there is any injury to American interests those interests will have the right of review, the right of protection; but this grants him arbitrary powers.

Mr. SMITH of Georgia. Mr. President, will the Senator permit me to ask him a question?

The PRESIDENT pro tempore. Does the Senator from New Jersey yield to the Senator from Georgia?

Mr. FRELINGHUYSEN. Yes.

Mr. SMITH of Georgia. Does the Senator understand this bill to authorize the Alien Property Custodian to sell the factory, or simply to sell the stock that the Germans own?

Mr. FRELINGHUYSEN. I will read the act to the Senator from Georgia. It says that he shall exercise any rights or powers which may be or become appurtenant thereto, or to the ownership thereof, in like manner as if he were an absolute owner thereof.

Mr. SMITH of Georgia. Would not that mean simply the ownership of the stock? I agree with the Senator that it certainly ought to be limited to the question of the stock; that he ought not to have the right to interfere with the property where a part interest in that property belongs to a citizen; but if we can so shape it that it would be clearly limited to the stock, would not the objection of the Senator be removed?

Mr. MARTIN. Mr. Palmer made that perfectly clear, if the Senator will permit me. He was asked:

Senator SHAFROTH. What do you do in the case of an American minority stockholder where the German stockholders are in the majority? Do you pay the American his dividends or not?

Mr. PALMER. Oh, certainly.

Senator SHAFROTH. But you hold the other part in the custodian's fund?

Mr. PALMER. Exactly. We simply take the stock of the enemy, so that the corporation pays the dividends to the American stockholders and pays the enemy stockholders' dividends to us.

It is not proposed anywhere that he shall take into custody a single dollar of American-owned property. He has not suggested it. The law does not authorize it. It only authorizes him to take into possession and make disposition of enemy property. There is nothing else in this bill.

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

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

Mr. SMOOT. Was not Mr. Palmer referring to what he had already done under existing conditions—that he held the alien stock; not the American citizen's stock; an American citizen was paid his dividends as in the past and the dividend of the alien was put in the Treasury of the United States?

Mr. MARTIN. That is exactly what he said. He said he had not the slightest idea of interfering with a dollar that belonged to an American citizen; that he had not done that and would not do that; that he was only taking enemy-owned shares of stock.

Mr. SMOOT. Mr. President, that was under the power that he had to-day. I think the Senator from New Jersey was discussing the question as to what would be his attitude after the power proposed in this amendment was granted him; or, in other words, if he had the power, then what could he do with that stock?

Mr. MARTIN. He has no power except to sell enemy-owned property. Absolutely no power is given him by this bill to sell any property owned by an American citizen, but only to sell enemy-owned property. Certainly I would not take one iota from an American citizen; neither will I extend by an iota German rights. I will give them what we are bound to give them at the end of this war; but it will be mighty hard to convince me that we ought to give them anything, and certainly we ought not to give them anything until they account to American citizens for the loss, damage, and injury which they have inflicted.

Mr. NORRIS. Mr. President, may I ask the Senator from Virginia a question?

The PRESIDENT pro tempore. Does the Senator from New Jersey yield to the Senator from Nebraska?

Mr. FRELINGHUYSEN. I yield to the Senator for a question.

Mr. NORRIS. As I understand the proposed law, then, in the case, for instance, of a minority stockholder of a corporation running a manufacturing concern, the custodian would only sell the stock of that corporation that is owned by the German citizen?

Mr. MARTIN. Beyond a doubt. That is all the power that we give him; that is all he asks and all he would exercise.

Mr. NORRIS. If that is the case, I do not see how that will hurt any American citizens who happen to be the owners of the balance of the stock.

Mr. MARTIN. It will not. I am as much for protecting American interests as anybody else; but God forbid that I should protect any interest of a German citizen any more than I am compelled to protect it. When they get a dollar by a vote of mine, they will account for every dollar of destruction they have wrought on the American people.

Mr. FRELINGHUYSEN. Mr. President, I am not in any way defending the interests of any German citizen, and it is not necessary for me to state that again. I believe that the powers conferred in this amendment upon the alien-property custodian not only extend to the power of sale but to the power of direction, because the general statute which this amendment demands gives him power to manage. Already the alien-property custodian has placed directors in these plants to represent the interests of his trusteeship. I may say that these industries employ, I think, about 25,000 hands. At the present time some of them are manufacturing uniform cloth for the United States Government. What those proprietors and the employees fear is that there will be some interference with the continuity of that enterprise. If the alien-property custodian in selling that property should sell it to an unfriendly interest—and he has the right to do it, without any power of review or restraint—the enterprise might be ruined. What I am contending for is that the act ought to be amended in some way so that there is a power of review on the part of somebody against any unjust act by the alien-property custodian which might affect American interests.

Mr. NORRIS. Mr. President—

The PRESIDENT pro tempore. Does the Senator from New Jersey yield to the Senator from Nebraska?

Mr. FRELINGHUYSEN. I yield the floor.

The PRESIDENT pro tempore. The Senator from Nebraska is recognized.

Mr. NORRIS. I do not care to take the floor. I am just seeking light, and I want to ask the Senator a question.

Of course, I agree with the Senator that I do not want to see any American interests injured; but I can not understand the logic of the argument of the Senator when he says that the employees or minority stockholders are afraid that this custodian will sell to unfriendly interests the controlling interest that is now owned by German citizens.



Mr. FRELINGHUYSEN. He has that power.

Mr. NORRIS. I understand; but these people would not be as much afraid of the custodian, representing the Government of the United States, doing such a thing as they would be of the Germans themselves making such a sale; and they have the ownership now. The custodian would not have any greater power in making the sale than the owners of the property themselves would have; and certainly it would be to his interest not to interfere with the operation of those plants, much more so than though he did not have possession and the German owners were trying to make the sale. I can see why they might want to interfere with the continuity of the work.

Mr. FRELINGHUYSEN. The act should be so framed that if there should be any unwise action it could be reviewed. It depends upon the wisdom and probably the business judgment of the Alien Property Custodian. It might be contrary to their policy of business; but his ruling is arbitrary. There should be some board of appeal or some power of review. It depends upon the whim of the Alien Property Custodian, which might destroy an industry. I think the amendment is too broad and confers too great powers.

Mr. NORRIS. Let me ask the Senator this question: While I concede that it is possible that that power might be abused, take it as it is now. Suppose that the Alien Property Custodian is not given authority to do this. Would it not be more to the interest of these German owners than to the interest of the custodian to do something of the kind?

Mr. FRELINGHUYSEN. Oh, I am not opposing the sale of the property.

Mr. NORRIS. I understand that; but they have that power now. They might put a German spy in there to operate the plant.

It seems to me that while we do not escape danger by taking this action, and I can see that a mistake might be made somewhere, we are improving the matter a great deal by putting it in the hands of any American citizen, rather than leaving it, as it is now, in the hands of an alien enemy.

Mr. DILLINGHAM. Mr. President, in asking the chairman of the committee to make an explanation, as I did when this amendment was offered, I did it for the purpose of bringing the attention of the Senate to what I think is a very unwise course of action in connection with the consideration of these appropriation bills.

After the examination of this bill had been completed, the amendment which was adopted to-day without debate—the one authorizing the President of the United States to purchase all of the great wharf and dock property in New York formerly occupied by the North German Lloyd Line and the Hamburg-American Line, and, in case of failure to purchase, to institute proceedings for the condemnation of that property—came to the committee, and the committee was called together at 15 minutes before 12. The committee had no information whatever regarding the necessity for such action on that amendment, and they adjourned without taking action. Two days later Mr. Palmer came before the committee to explain that amendment, and from that explanation it appears that the Government is now in possession of the dock property, occupying it, using it in every way. Mr. Palmer's testimony states no reason for haste in securing title to the property, if indeed we ever want such title. It further appeared from Mr. Palmer's statement that such dock property is now owned by corporations formed under the laws of New Jersey, the share owners of which are wholly German citizens, as I understand him to say. He has as Alien Property Custodian taken over that stock and is holding it. If the President is authorized to purchase that property, under this amendment, he must purchase it of Mr. Palmer, and Mr. Palmer under the present law—the alien-property act—has not the power to sell it, and so he seeks the amendment which is now under consideration in order that he may have power to sell it.

Beyond what I have stated I know nothing about the necessity of the purchase of this property by the Government at this time. I do not think any member of the committee has any knowledge as to the necessity of purchasing that property at the present time. Certainly none was given that I now recall.

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

The PRESIDENT pro tempore. Does the Senator from Vermont yield to the Senator from Virginia?

Mr. DILLINGHAM. Certainly; very gladly.

Mr. MARTIN. The Senator is referring to the wharf property, I believe.

Mr. DILLINGHAM. Yes.

Mr. MARTIN. I will call the Senator's attention to a matter which has not gotten into the record, because I had not heard

of it, and therefore did not ask Mr. Palmer; but I got him over the telephone, and told him I had heard that the condition of those wharves, or the condition of business of the United States at those wharves, was such that large expenditures were necessary for the full utilization of the wharves for Government purposes. He said that he had omitted to mention it, but he authorized me to quote him in the fullest and broadest way to the effect that it was necessary—immediately necessary, urgently necessary—to make very large expenditures on those wharves at Hoboken, so large that he did not think it would be expedient or proper for the Government to make those expenditures until after it had taken over the title.

That reason for the acquisition of the title at this time did not go into the record, because I had not previously heard the suggestion. As soon as I heard it, I called up Mr. Palmer, and I have his authority for quoting him in the broadest sense, as I have stated, as to the absolute and urgent necessity for very large expenditures by the United States in order to get the proper use from those wharves—such a large expenditure that he thought it ought not to be made until the title was taken over.

Mr. DILLINGHAM. And it is a remarkable fact, Mr. President, that Mr. Palmer—who came before that committee on purpose to tell us why that amendment should be adopted—failed, after speaking an hour, to give the only reason that has been urged, the one just given by the Senator from Virginia.

It occurred to me, as I heard that testimony, that there was another reason, for Mr. Palmer testified as follows: and if the Senators care to follow it, they will find it on the fifth page of his testimony. He says:

The President has advised you, I take it, that he thinks it is wise that the Government should take over the possession and title of these properties.

Then he goes on to say this, which I call to the attention of the Senator from Pennsylvania, because he inquired of the chairman as to the policy of Mr. Palmer. He says:

It is also believed that it would be helpful to the general plans and purposes of the Alien Property Custodian with respect to enemy property, in conjunction with this power which is to be granted if this rider on the appropriation bill is passed, if there could be at the same time an amendment to the trading with the enemy act which would give to the Alien Property Custodian the general power of sale of enemy property in this country. In other words, it is desired to bring the trading with the enemy act back to the terms which were written into the law by the Senate, and to strike out the change which was subsequently made, I think in conference, restricting the power of the Alien Property Custodian to sell enemy property in this country.

Further on he says:

Since we have become acquainted with the enemy property in this country, since we have seen how the German Empire, through its financial operations, has put an industrial and commercial chain all the way across this country and through our insular possessions, we have become thoroughly convinced that it would be wise and proper and highly desirable at this time if the enemy ownership in some of those properties could be permanently taken away.

At this point there was a conversation as to the action of Germany, although at that time in the committee none of us were aware of the existence of the treaty that has been referred to by the Senator from Pennsylvania. Senator HARDWICK put the following question:

Mr. Palmer, right there, does Germany do that with us now?

Mr. PALMER. Germany is doing with us exactly what we are doing with her. She is following along. She is making inquiry constantly to find out just how far we are going with German property.

Senator HARDWICK. She will do, of course, whatever we do?

Mr. PALMER. She will do what we do; exactly.

Senator HARDWICK. And she is now doing just what we are doing?

Mr. PALMER. She is now doing what we are doing; and she may take no step in advance of what we do because the balance is against her.

Going over to page 7 of the testimony, Mr. Palmer began in the language which has already been read and from which it appears that the properties in his hands have no American stockholders, if I understand his language correctly. He says:

Mr. PALMER. Why, there is a city in this country which is a little Germany in that respect, a great industrial town where seven or eight great mills are entirely German owned, and from some of which the American flag has never flown until the Alien Property Custodian took over the enemy's stock and put his own directors into those corporations.

It is a part of the German trust in that industry; there is no question about that, and it is a very interesting question, at least, whether as an effective weapon in the war we ought not to consider Americanizing that sort of a concern and putting the proceeds in cash in the Treasury of the United States to await distribution at the end of the war.

Otherwise I find myself in this position: I am to-day operating factories and mills and industries all over the United States. Through my directors representing the enemy stock I am making chocolate in Connecticut, rails in Pennsylvania, woollens and worsteds in New Jersey, dyes and chemicals in New York, lumber in Florida, raising sugar in Porto Rico and Hawaii, raising tobacco in many States in the South, making beer in Chicago, lead pencils in New Jersey, and conducting all these various kinds of business and many others, most of which are making enormous profits by reason of the very conditions for which the enemy is responsible, namely, the war conditions. If I must simply sit here, holding the stock of these companies making these enormous profits out of the war, with the possibility of returning both principal

and profits to the German owners at the end of the war, I am doing a tremendous favor to the German Empire, our enemy.

Senator GALLINGER. What would be the alternative, Mr. Palmer?

Mr. PALMER. The alternative would be to account for these properties as of their value at the time I took them over when the war broke out, sell them to American capital, let the Americans run them, separate them permanently and entirely from German control, put the money in the Treasury, invest it in Government bonds to fight the war with, and when the war is over, if any accounting has to be made, say to those who claim an accounting: "Here is the value of your property when the war broke out in the Treasury of the United States in cash."

Mr. KNOX. May I inquire of the Senator, he being a member of the committee, whether Mr. Palmer stated to the committee if they could do this, notwithstanding the treaty, or whether they could do it within the terms of the treaty and under the general rules that prevail in war?

Mr. DILLINGHAM. In reply to the Senator from Pennsylvania I will say that the treaty was not discussed. A question was asked whether there was a treaty, and a prominent member of the committee assured us there was no treaty with Germany, and the matter went without further discussion from that standpoint of the case.

Mr. President, I do not desire to occupy the attention of the Senate any longer in reading the testimony. I have gone thus far to call the attention of the Senate to a situation in which it appears that we have a treaty with Germany covering this very subject, a treaty to the terms of which Germany has lived up to, as appears from the testimony of Mr. Palmer.

Now, then, I do not know what situation the adoption of this legislation will bring our Government into. It looks to me like a very serious matter. I am in full sympathy with the sentiments expressed by the Senator from Virginia [Mr. MARTIN], but I think it is all wrong to have these amendments brought in on an appropriation bill and without consideration by any committee with the treaty before them. I think both these amendments—the one that has already been adopted and the pending amendment as well—ought to be defeated. The subject matter of both could then be presented in the form of a bill and be referred to the appropriate committee—the Committee on Foreign Relations—where it could be fully and carefully considered from the standpoint of international law and of our treaty relations. That committee could advise us whether we are going blindly and could guard us against a policy that may trouble us exceedingly in the future.

I do not know but that the Senate ought to adopt both these amendments. On the other hand, I do not know that the Senate ought to adopt them.

Mr. UNDERWOOD. Mr. President, I think one of the most important features of legislation that has come before this Congress is the pending measure. I have listened to what my good friend on the committee has said about legislation on an appropriation bill, and under ordinary circumstances and conditions I would agree with him; but we have written much legislation on urgent deficiency appropriation bills that have passed since the war began. It is the speedy way to accomplish a result. We wrote the legislation by a Senate amendment which created the present Aviation Corps in the United States; we wrote the legislation by a Senate amendment on an urgent deficiency bill that started the building of the great merchant fleet that must save our country from defeat on the battle fields of Europe, and to-day we offer an amendment on this bill because the President of the United States has sent word to the Congress of the United States that speedy action is necessary.

Mr. President, there is more justification for writing this amendment on this bill than any of the other propositions that have come before Congress, not only justification on account of the merits of the proposition but justification because the Senate has fully considered this proposition before and acted on it favorably.

The amendment which I hold in my hand and which has been offered in the Senate is the identical language that was adopted by the Senate when it passed the alien-property custodian act. It is the identical amendment that was reported by your committee to the Senate, not as the law stands to-day but worded as it is proposed in this amendment.

More than that, the House of Representatives concurred in the language that is proposed in this amendment. Yet we find that somewhere and somehow, after the language that authorized the alien custodian to sell this property as it appears on page 4 of the amendment, where it is provided that he shall have the power to manage the property "and do any act or things in respect thereof, or make any disposition thereof or of any part thereof, by sale or otherwise," in some way these weazel words were injected into the law, "when necessary to prevent waste or for the protection of the property," destroying the intention of Congress as expressed by the Senate when it passed upon the bill originally.

Mr. GALLINGER. Mr. President—

The PRESIDENT pro tempore. Does the Senator from Alabama yield to the Senator from New Hampshire?

Mr. UNDERWOOD. I yield.

Mr. GALLINGER. The Senator will not object to my saying in his behalf or my own behalf that those words were injected in a conference report without the authority of either House.

Mr. UNDERWOOD. Surely.

Mr. SMOOT. They were put in in conference.

Mr. UNDERWOOD. Certainly; they crept in the bill in conference against the express will of both Houses of Congress. We find them here standing as a barrier against our winning this war.

The purpose of the alien property custodian act was to hold up the hands of the Federal Government in the conduct of the war. It was to take out of their hands the great power that it exercised in the control of German-owned corporations and German-owned property. It is not only the wharves and the docks that they own. The great American Metals Co.—I think I use the name correctly, although I am not sure—whose power extends all over the United States in the manufacture of steel and many other metallic goods is absolutely German-owned and German controlled. Great woolen properties, when we need the goods to clothe the boys who are going to the trenches, have been German owned and German controlled, and their products may be delayed if we do not take possession.

Now, we have taken possession. If there is any violation of the treaty, which I do not believe, if there has been any violation of the treaty made in 1799 with the small Kingdom of Prussia, which was made when this alien property was taken over and the property physically taken away from the Germans—

Mr. KENYON. Mr. President—

The PRESIDENT pro tempore. Will the Senator from Alabama yield to the Senator from Iowa?

Mr. UNDERWOOD. Certainly.

Mr. KENYON. May I ask the Senator if, at the time of the passage of the alien property custodian act, this question of its being violative of any treaty was raised?

Mr. UNDERWOOD. I do not recall that it was. I was not on the committee that reported it, and I was probably out of the Senate a part of the time while it was being discussed, so that I will not speak with a degree of positiveness; but during the time I was on the floor of the Senate I never heard the question raised. Yet this clause of the alien-custodian act when it was before the Senate and passed by the Senate was in the exact language that is used in this amendment offered now.

Mr. THOMAS. Does the Senator conclude that if the one we are considering is violative of our treaty, we have already violated it by previous legislation?

Mr. UNDERWOOD. I do. That is exactly the position I take, that the Senate violated it itself by passing this language before. But, more than that, I say it is no more a violation of the treaty to sell this German property than it was a violation of the treaty to take it. If there is a treaty right that protects this property in German control, we violated it by taking it away from them, and it is no further violation of that treaty after we have gotten possession of it to sell it.

Mr. SMITH of Georgia. Does the Senator understand that it is contended that the treaty prevents our Government from taking property of this character when the owners are out of the country and in Germany? Is there any language in the treaty which would reach such a case?

Mr. UNDERWOOD. None that I know of, and I do not know that that is contended.

Mr. THOMAS. Let me say to the Senator, in response to the question, that Mr. Gerard in his Four Years in Germany gives a very graphic account, beginning at page 378, of the threat which the German Government made to compel him to sign an additional series of articles in recognition of a rule amendatory to article 23 of the treaty of 1799, designed, among other things, to cover that species of property and which, of course, our ambassador refused to sign. So the construction given in Germany to the article I refer to excludes the consideration of property owned in this country by nonresident aliens.

Mr. SMITH of Georgia. Whether we are willing to accept the German construction of the treaty or not, it seems to me clearly in what I heard read there is nothing in the treaty which would exempt the right of the United States Government to seize this class of property and keep it—certainly to seize it and sell it.

Mr. UNDERWOOD. The Senator is right.

Mr. SMITH of Georgia. And even if we did not follow you, that having possibly violated the treaty in some former act we



should violate it again, we can certainly follow you in saying we did not violate it in the first act and we will not be violating it now.

Mr. UNDERWOOD. Undoubtedly. There is nothing in the treaty of 1799 that refers in any way whatever to property owned by aliens who are out of our country. But, more than that, the treaty of 1799 is the only act that is recognized by our Government. I understand the attempt to ratify it in 1828 is not recognized by our Government and the language used at that time is not considered as binding on the Government.

Mr. KNOX. Mr. President—

Mr. UNDERWOOD. I yield.

Mr. KNOX. I beg to correct the Senator from Alabama. The treaty of 1828 expressly revives the two sections which are pertinent in the treaty of 1799.

Mr. UNDERWOOD. If I understand it, the State Department does not recognize that as an existing fact. I am not stating that the Senator is not correct that the effort was made to revive it, but I understand our State Department does not recognize that it was revived.

Mr. KNOX. Here is the publication of the treaties in force in the United States. This treaty shows the signature of Henry Clay, representing the United States, and Ludwig Niederstetter, representing Germany, and the twelfth article of the treaty of 1828 reads:

The twelfth article of the treaty of amity and commerce concluded between the parties in 1785 and the articles from the thirteenth to the twenty-fourth, inclusive, of that which was concluded at Berlin in 1799, with the exception of the last paragraph in the nineteenth article, relating to treaties with Great Britain, are hereby revived with the same force and virtue as if they made part of the context of the present treaty.

Now how anybody, whether he belongs to the State or any other department, can say in the face of the language of the treaty itself that that provision is not in operation I can not understand.

But I want to add one other word. I think the Senator from Alabama is absolutely correct that there is not a syllable in this treaty that has to do with any property of an alien enemy who does not reside within the United States.

Mr. SAULSBURY. Mr. President, if the Senator will yield to me, I wish to inquire if that was not the same treaty, renewed by the same provision, where the Prussian-Government, now the German Empire, agreed that in case of war our vessels might trade with the other belligerents, and in such a case as that they should be allowed free passage, only that they might be subject to call and to search, and that even if we were carrying all sorts of contraband the only thing that was necessary was that the captains of our vessels should deliver that contraband to the visiting vessel. Is that the same treaty and the same provision?

Mr. KNOX. That is the same treaty, which Germany has violated in that respect and many other respects. What I have been trying to ascertain is why do the Government of the United States regard that treaty in force. Do they regard a treaty in force the provisions of which have not been adhered to as sacredly as the law of nature and the law of nations prescribe, when not only the law of nature and the law of nations have been defied by our enemies in this contest but the specific provisions of the treaty itself?

Mr. UNDERWOOD. I was coming to that. I have been first discussing this question from the standpoint as to whether we are violating the treaty. I do not think we are. The treaty in no way relates to any enemy-owned property when the enemy is out of the United States. It does not relate to enemy-owned property in the United States, because its very terms provide that the enemy shall have nine months in which to take that property out of the country, and the nine months have expired. So I do not think there is a question involved as to our violating a treaty right. But should we, the Congress of the United States, hesitate on the firing line of our country when we are sending men by the thousands to the battle fields of France? Shall we show a lack of courage, a lack of our patriotism, by failing to face the issue, and face it now, when our country needs action, because somebody may be hurt?

As the Senator from Colorado [Mr. THOMAS] has called to the attention of the Senate, when our ambassador was leaving Germany, the declaration of war having been made by Germany by firing on our flag and sinking our ships, the German Emperor demanded of him as the basis for receiving his free passport that he should guarantee the protection of German property in this country and should sign an agreement to that effect—a threat, of course—a threat that the representative of the American Nation had too much courage, too much patriotism, to yield to.

But it showed the concern of the Imperial Government of Germany in the desire to protect the industrial properties of German citizens in this country; and why? According to the testimony of Mr. Palmer before this committee, it is entirely probable that the German Emperor, holding in the name of other people, owns a large part of the property involved.

Now, so far as I am concerned, when they have taken this treaty of 1799 and violated its provisions in every respect, trampled on it, regarded it as a mere scrap of paper, brought on this war by a violation of the treaty themselves, because under the treaty they have declared in favor of the free seas for our ships and their ships in times of war, and yet when our ships were sailing home, returning without a cargo, in violation of this very treaty they fire on the flag and sink the ship and force this Republic into war; to say that that treaty can stand as a barrier against our own defenses and the protection of our own people, against our striking a blow that will be felt by the classes in Germany that urged this war and have brought on its horrors and are continuing the autocracy of Germany, I say should not stand for one minute in our way.

Mr. DILLINGHAM. Will the Senator allow an inquiry?

Mr. UNDERWOOD. Surely.

Mr. DILLINGHAM. The Senator's argument is very interesting. I was wondering what he would say about the status of private property owned by Germans in this country, as to the effect of the war and of the treaty upon that property.

Mr. UNDERWOOD. As I said, I do not think this treaty applies to it at all. All the terms of this treaty have passed by. It did not apply to foreign-owned property. The nine months in which it would apply to property owned by German citizens living here has expired.

Mr. THOMAS. May I ask the Senator if he construes that nine-months provision as applying to any one but merchants?

Mr. UNDERWOOD. It probably does not apply to anybody but merchants, but I was giving the broadest construction to it that was possible, that it applied to all.

Mr. THOMAS. I do not think it is susceptible of that construction.

Mr. UNDERWOOD. I do not either. I agree with the Senator about that, but in order that there might be no contention about it, I am applying the term property of merchants to every German who lives in the United States, and the time is up.

Now, why is this a blow to the German interests, and why is it necessary to protect our country that this provision should be passed? We are fighting the German peasant behind San Mihiel. We are attempting to destroy the lives of men who had nothing to do with bringing on this war, who probably have no desire to continue it, and who are doing it because they are hurled to the battlefield by an autocratic power. What we want to do is to wipe them out of the way so that we can win the victory. But this property is owned by the junker class of Germany, not the men on the battlefield but the millionaires, the titled class, lords of the manor, the Kaiser himself, and they have shown every hour and by every act their desire to protect this property, own it, and control it when the war is over. I would far rather fire a shot at Berlin and at the junker class of Berlin, who brought on this war and keep it going, than I would fire a shot behind San Mihiel at the peasant of Germany.

It is necessary for us to take over this property, not only its control and possessions but absolutely to Americanize it, to protect American interests during the war. It is necessary for us to take it over and let the German junker class know that America has her back against the wall, that we are fighting this war in earnest, that we are willing to fight it all along the line, and that there is no surrender on our part until a victorious settlement of the issues involved. We are too slow already. We ought to move faster.

I can understand how there are some interests in America that are apprehensive against the passage of this legislation. There are some interests in America that own property in Germany. I understand from Mr. Palmer's testimony—he so states—the largest ownership of property in Germany is the Standard Oil Co. Most of the property that American citizens own in Germany is controlled by great corporations. Now, I do not desire to see their property confiscated in Germany, but Mr. Palmer said, and we know it to be a fact, that where there is one dollar's worth of American property invested in Germany there are more than a hundred dollars of German property in America. Where they strike one blow at us in confiscating American property we strike the blow a hundredfold in taking theirs.

More than that, if you read this provision as it stands, and this declaration of Congress as it stands, with these weasel words in the belly of the act to-day, that this property shall be

held by the custodian and can only be sold if it be necessary to prevent waste or for the protection of the property; it is a clear declaration that we are holding this property as a protection to the German millionaire and the German junker.

Mr. KELLOGG. Mr. President—

The PRESIDING OFFICER (Mr. WARREN in the chair). Does the Senator from Alabama yield to the Senator from Minnesota?

Mr. UNDERWOOD. I yield.

Mr. KELLOGG. I wish to see if I understand this proposition. Under the original alien-enemy property act, it was the property of alien enemies not residing in this country which could be taken and sold?

Mr. UNDERWOOD. No; the Senator is wrong.

Mr. KELLOGG. I thought I so understood the Senator.

Mr. UNDERWOOD. My friend from Minnesota was not present when I made my original statement.

Mr. KELLOGG. No; I was not.

Mr. UNDERWOOD. The amendment that is before the Senate does not change the law as it is on the statute books, except in one particular. It does not change it at all as it passed the Senate originally. In conference, after the authority to sell, which was given by the Senate and given in the original act, somehow these words crept in, "if and when necessary to prevent waste and for the protection of the property," which, of course, limited the power of sale to that purpose. The amendment that is offered by the Senate committee, although it is long, leaves out those words and does not change it in any other respect.

The amendment, as does the law to-day and as it is presented here, allows the alien-enemy property custodian to take over any alien property, whether it be foreign owned or domestic owned. That is the law now, but when he gets it the law now requires him to keep it for the benefit of the German citizen.

Mr. KELLOGG. I thought that was the law, but I misunderstood the Senator's statement.

Mr. UNDERWOOD. The law requires him to keep it for the benefit of the German citizen. Mr. Palmer states, and it is true, that a vast deal of this property is well invested, is paying property, and is making vast profits.

If we keep this property in the custody of the Government of the United States, we will run it profitably, and we have got to do that, for we want the property; a great deal of it is making the munitions of war that we want to use; it is making the clothes for the soldiers; it is making shoes for the soldiers. Of course, it will be sold on the same market price as other property. When the proceeds of the sale go into the custodian's hands we shall be vastly multiplying the German interests and building up their property.

I do not know what is going to happen when the treaty of peace is made. I do not know whether any of this property will ever go back to the Germans or that its money value will go back to them. Certainly not one dollar ought to go back to them until they have paid for the American ships that they have sunk in violation of this treaty, and until they have paid for the property of American citizens which they have destroyed. When they agree to do that it will be time enough for us to agree to return their property. But in no event ought they to get more than the value of the property as it stood when war was declared. If you leave this proposed act unamended, in the Treasury of the United States are accumulating vast sums of money for the junker class of Germany, without threat and without danger, to encourage them to carry on the war.

I say that the passage of this provision is just as necessary for the preservation of the American Republic, for the upholding of the hands of our soldiers on the battle front, as was the other great legislation that has been passed in these appropriation bills. I say that in my judgment this legislation ought to appeal to the patriotism of the Senate and to that of the American people; it should be put on the statute books at once, so as to deliver the most telling blow that I think can be delivered to the very men in Germany who have forced this war on the American Republic.

Mr. POINDEXTER. Mr. President, I am impelled to say a word in view of what appears to be the general assumption of those Senators who have participated in the debate on this amendment, that Germany is acting toward the property of American citizens just as the United States is acting toward the property of German subjects. The disposition of this very important question seems about to be made on that basis.

I am not myself informed as to just what the German Government is doing with property in Germany which is owned by American citizens. I assume that that Government is pursuing, as she always does, a policy of an enlightened or an unenlightened

self-interest. I assume that property, subject to the taxes of the German Government, subject to be commandeered as other property may be by that Government for the carrying on of this wanton war of conquest which Germany started, and which she is now conducting, she may protect and preserve; but I was not under the impression that this Government had adopted the same policy toward the property of German citizens, either in Germany or in the United States or upon the high seas, that not only German subjects but the German Government has adopted, not only toward the property in this country but toward the lives of American citizens. I was not aware that the ambassador, for instance, of the United States at Berlin, while he was enjoying there the protection of the German Government, while police were beating their march back and forth in front of the American Embassy, was at the same time behind closed doors in the secret chambers of that embassy collecting money and hiring spies and murderers to burn or dynamite the property of German subjects, and to ruthlessly destroy the lives of all who might be occupying that property; and yet it seems to me that it is not long since it was quite a familiar story, founded upon documentary evidence that is now on file in the State Department and in the secret archives of the Department of Justice, that the German ambassador in this country—and I have walked frequently by the building which sheltered him during the stay which we hospitably offered him here and have seen the protection of the police jealously guarding him and his property and the property of his Government from any injury whatever—and yet those documents show that, while he was the subject of our particular care, he himself was employing individuals to go out with dynamite and with torch to destroy and to burn the property of American citizens and take the lives of American workmen who were employed in our factories.

I am somewhat surprised to hear this question debated now as though we had pursued that policy toward Germany and it was a question of balancing the one treatment against the other. Why, it is not very long, Mr. President, since there were published in important newspapers in New York City advertisements to the effect that American citizens who pursued their rights to take passage upon a merchant vessel would do so at the risk of being drowned, by order of the German Government, without warning and without notice. I do not remember any incident in the conduct of the United States toward Germany of that kind; yet we hear talk of treaties and very punctilious regard for the treaty of 1799 between the United States and Germany. Why, have the Senators who are so particular that we must abide by the very spirit and letter of the treaty of 1799 with Prussia, assured themselves that that was not one of the treaties that Bethmann von Hollweg tore up as a "scrap of paper"? I think the world has been more or less familiar with the tearing up of treaties by Germany. There are treaties with the German Government that protected the rights of neutrals engaged in commerce upon the seas; there are treaties with the German Government that gave this Government certain rights upon the high seas. Is this one of the treaties that were torn up when the German Government undertook to go upon the high seas and to mark out certain areas and to say that the citizens of the United States could not pass that way?

There are certain treaties, Mr. President, that protect the rights of neutral countries. We ourselves were a party to a treaty, which was also signed by the German Emperor—and I think those were the two first signatures upon it—that protected the rights of Belgium. Is this treaty of 1799 more sacred than that one or of more importance?

There is a treaty with the German Government, Mr. President, which binds that Government to abide by those principles of humanity which were attempted to be embodied in The Hague treaty protecting the rights of neutrals, defining the rights of belligerents upon the high seas and on land, and enforcing the rules of civilized warfare. Is that treaty of 1799 among those which were violated when the Germans lined up women and children in Belgium and shot them and mutilated the bodies of the innocent victims of a war of conquest against a peaceful and neutral country?

While we are caring for German prisoners at Hot Springs, at Asheville, and at other pleasant resorts, and in pursuance of old treaties paying them salaries which the men and officers of equal rank in our Army and Navy receive, they are cutting out the tongues and subjecting to starvation and brutality of every imaginable kind the prisoners of this country whom they have captured. And are we to say, in the face of all those things, that because there are certain provisions which are of doubtful application to the question involved in this amendment we are to resolve all those doubts in favor of the German Government and to hesitate in protecting our own interests in the disposition of



this vast property, which Germany, in pursuance of a deliberate plan of universal power, has built up in the United States, as she has in almost every other country in the world?

Mr. KNOX. Mr. President—

Mr. POINDEXTER. I yield to the Senator from Pennsylvania.

Mr. KNOX. May I make an inquiry of the Senator?

Mr. POINDEXTER. Certainly.

Mr. KNOX. Does the Senator understand that any Senator is arguing on the floor that that treaty has any force or that it should cover these properties, or that we can not with propriety pass this proposed legislation? If he has that impression about anything that I have said in calling attention to the treaty, I want to disabuse his mind of it. My whole purpose was to ascertain whether that branch of the Government which deals primarily and almost exclusively with our foreign affairs regarded this treaty of 1799 as in force or not. That was the whole object I had in bringing the treaty to the attention of the Senate.

Mr. POINDEXTER. I think I understand the position of the Senator from Pennsylvania, and I am very glad he has made it clear, although the Senator inquired whether this property was to be disposed of under the terms of that treaty or not.

Mr. KNOX. Whether that was the administration's view.

Mr. POINDEXTER. And other Senators—I think among them the Senator from Vermont [Mr. DILLINGHAM]—argued that we should be very careful about the enactment of this proposed legislation until we had carefully studied the terms of the treaty of 1799. I had also in mind—

Mr. DILLINGHAM. Will the Senator allow me to make a statement?

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

Mr. DILLINGHAM. I think if the Senator had been present and heard me that he would admit that the whole purpose of my remarks was to bring to the attention of the Senate the fact that this amendment had received no consideration while it was in the committee; that the existence of the treaty of 1799 was not known, I think, by any member of the committee, and that it was a mistaken practice, which we have grown into to bring in important amendments, which may involve international questions, and ask the Senate to consider them before they first have been considered by the appropriate committee. I expressed the hope that this amendment might be defeated for the purpose of having it sent to the appropriate committee for consideration and report so that the Senate might act with full information.

It has been suggested by the Senator from Pennsylvania [Mr. KNOX] that we do not know what the policy of our Government is on this question. If the question had been submitted to the Committee on Foreign Relations and inquiry had been made, we would have learned precisely what policy our Government has adopted in respect to the treaty in question and whether it is believed because the treaty has been violated in other respects, it should be treated as of no consequence in respect of this particular question.

That is the only object that I had in bringing this matter up. I did not like the way it was brought into the committee nor the way it was reported to the Senate, and I wanted to bring the matter to the attention of the Senate. That was the whole object I had in taking the course I did.

Mr. POINDEXTER. Mr. President, I understand that was the Senator's attitude, and yet the matter is now being discussed upon the basis of the treaty of 1799, undoubtedly without the consideration that the Senator very justly says it should have had in the committee.

Mr. DILLINGHAM. As in the case of the Senator from Pennsylvania, I thought the Senator's remarks were perhaps leaving a false impression.

Mr. POINDEXTER. I am glad the Senator has corrected that, if it has existed. The treaty of 1799 has been the subject of a good deal of public discussion; it was before the Federal court at Norfolk in the case of the disposition of the *Appam*, a British vessel that was captured by the Germans and brought into that port by a prize crew. At that time we became more or less familiar with the application of the treaty from the daily reports of the progress of that case. But to say, Mr. President, that in the determination of the policy of the United States with regard to this astonishing interest of Germany in the industrial and mercantile affairs of this country we are bound by the verbiage of obsolete treaties with Prussia, while she is casting all treaties, all humanity, all the teachings of civilization, to the wind, seems to me to put us in more or less of an absurd situation.

I agree entirely with what has been said by the Senator from Virginia [Mr. MARTIN] that the policy which should be pursued in this case in regard to this property is that policy which our

judgment dictates. I believe that it should be a beneficent policy, but it should be a just policy. If Germany has cast behind her the teachings of a thousand years of civilization, if she has set up the doctrine of brute force against the teachings of humanity, which the experience of mankind has shown to be for their best interests, if she has leagued herself with anarchists and bolsheviks and their counterparts in the United States in the doctrine that might is the only supreme law, it does not follow that the United States must imitate her example; but I maintain that at least we are free to decide, and ought to decide, upon the merits of the case according to our own judgment as to the disposition to be made of this property, regardless of the wishes or the desires of Germany or the terms of past treaties which have been disregarded by that Government.

Mr. SHERMAN. Mr. President, while we deliberate the German Government destroys; while we are scrupulously weighing the rights of the respective citizens or subjects of the German Government under treaties that are suspended, as a matter of fact, by the clash of arms, the German Government is levying tribute upon the inhabitants of conquered territory, upon the mayors and the legislative authorities in the various municipalities, is taking their property without scruple, without question of treaty rights, of international law, or of the municipal law of the country concerned. They are interested solely in what they have the power to do at the point of the sword.

Among the German authorities to-day there is not being debated the question of the rights of American citizens under a treaty; if they are debating anything at all they are debating what they can take and what they can hold.

It is a striking commentary on the difference between the two Governments and the two forms of rulers that we in the Senate are to-day discussing the rights of German aliens non-resident here, while Germany herself is engaged, not in discussing the rights of the conquered territory of Russia or of Belgium or of any of the Balkan States, but merely in discussing the best way of taking what she can by force and holding it. It seems to me, instead of scrupulously weighing the rights of nonresident aliens—and belligerents at that—under treaties of 100 years ago, I would prefer for myself to decide my vote this afternoon or hereafter on the question as to how that Government is conducting itself in the treatment of the personal and property rights not of our own people alone but, what is of infinitely more concern, the peoples that are in her grasp. If she were holding persons and property and territory within the limits of the United States Germany would not be debating this afternoon about our rights, but she would be taking the property, putting it into condition to carry it as an engine of war against us in conducting successfully to a conclusion the combat in which she is engaged with us.

Now, Mr. President, so much of the treaties as may be in force can be considered when we and our allies sit at some future time in the settlement of that question. I do not believe in suspending treaties merely because the country is at war, but I believe in taking out of the hands of the enemy within our territory every possible instrumentality that can be used against us.

There is a very significant feature of Mr. Palmer's testimony before the committee. I heard him give it, and it loses nothing of its strength by being read in cold type. Speaking of the Hamburg-American Line and of the North German Lloyd Line, he speaks of the efforts that they had been making in the transfer of ships, right at the time war was declared, which were lying in a neutral port without the continental United States. Arrangements were practically concluded for the purchase of those ships between the two Governments at a price of \$1,900,000. Then they superadded conditions to that which were rejected by the representatives of this Government, under which they would have \$2,500,000 lying in the United States Treasury as a fund with which to begin business, with their terminal facilities at Hoboken of these two companies, to compete with us commercially at the end of the war, fully equipped for trade. They are looking out for that at this time.

Their representatives in this country frankly said—

Says Mr. Palmer—

that their idea was that when the war was over they should have a capital fund of \$2,500,000, their terminal facilities at Hoboken, and their home office in New York to immediately start to do business; and it looked like too big a price to pay for those two ships.

And so the terms were rejected.

Apart from that, I am not responsible for the shipping-bill act which was passed. I voted against it, but it is the law of this country. We are now using its facilities for the creation of a vast merchant and transport fleet, and a very large sum of money will be expended for that purpose. When the war ends,

or before, we will have constructed a great merchant shipping. These terminal facilities owned by the North German Lloyd and the Hamburg-American Line are facilities, piers, and wharves that ought to be owned by the United States. When the war is over the shipping facilities, our merchant ships, and all the transport service, and everything that goes with the operations of the Shipping Board, will be the property of the United States in fact. Now, what is the use of having naked vessels afloat on the ocean and no terminal facilities, even when the war is over? Say nothing of it when the war is in progress; we can justify it as a war measure now; but when the war is ended we will have a vast fleet in the transport and merchant service of the country, with no adequate terminal facilities at the principal harbor or port in the United States.

More considerations of business prudence, apart from war purposes, if we looked at the matter no further than that, would induce us to take the title to this property and hold it as a necessary incident of the program of the Shipping Board. It is true that we will pay something for it. Let that be so; but when we pay for it, it is the property of the United States. After the war ends, in five years, unless Congress should amend the shipping act, we will dispose of all this great merchant fleet. When we dispose of the merchant ships, if we have the terminal facilities we can the better not only dispose of the ships but of the terminal facilities as an entirety. It is like a railroad. Terminal facilities for a railroad are almost as important as the carriers themselves. If we have these facilities taken over as contemplated by this amendment, we can sell them in time of peace for more, in all probability, than they will cost us even at war prices. It is the part of good business prudence to do so.

There is another reason Mr. Palmer gave which I think is a sound business reason. Why should we keep these properties in time of war and operate them, all the way from brewing beer in Chicago to making lead pencils in New Jersey, with all the consequent profit that grows out of war operations, and then, at the end of the war, turn back the plant, the principal, to the German citizens with a profit attached? I do not believe in that. I believe in taking the title to this property, and if there is anything earned during the war let it go into the Public Treasury, and let the principal that is represented at the time we take the property remain in the Treasury and be turned over to the German citizens at the conclusion of the war.

Mr. THOMAS. Mr. President, the Senate should feel under obligations to the Senator from Vermont [Mr. DILLINGHAM] and the Senator from Pennsylvania [Mr. KNOX] for directing our attention to the provisions of the treaty of 1799 with Prussia in connection with this very important measure. The fact that the treaty was not considered at all by the committee reporting the bill is the best possible reason for our considering it before we take a final vote upon the bill.

The United States has justly prided itself upon the strictness with which it has observed its treaty obligations. With one most unfortunate and deplorable exception, our treaties have been justly regarded, as the Constitution itself provides, as part of the supreme law of the land. Whatever other nations with which we have treaty obligations may have done, we have been and should be guided in these matters by what our covenants provide; and if it be true that this treaty may restrain us from interfering with the property of Prussian nationals in this country to the extent provided by this amendment we should give it very grave consideration before final action is taken.

Article 23 of the treaty of 1799 has been read to the Senate in connection with the last sentence of the succeeding article, which recites in substance that it and the preceding article were made for the express purpose of defining our conduct during war, and therefore could not be abrogated upon the pretext that war nullifies all treaties.

So far as I am concerned, and forgetting for a moment the brutalities of our enemy, if I were of opinion that the treaty obligation outlined in article 23 bound us to such a strict observance of its requirements as to necessitate the rejection of the proposed amendment, I should, notwithstanding my convictions of the right and necessity of the law, hesitate before I would vote for it.

Mr. President, the treaty of 1799 is composed of a considerable number of articles, and was evidently designed to cover all subjects that might become important in the relations of the two countries with each other. They must be 30 or 35 in number. The first question which addressed itself to my mind—and I want to discuss the subject, as far as I can, from a purely legal standpoint—is the extent to which article 23 goes. Does it prevent our interfering with or taking possession of the property of German nationals in this country? And, of course, that question should be first considered independently

of Germany's conduct regarding other articles of the treaty, to which I will come later.

The most remarkable circumstance relating to this question has been furnished by Germany herself. I called the attention of the Senator from Alabama [Mr. UNDERWOOD] to it before he yielded the floor. I refer to the proposed addition or amendment to that article of the treaty which the German Government sought to impose upon our ambassador after our diplomatic relations were severed as a condition to his receiving his passports and safe conduct from Berlin to the United States. It is evident that the German Government never would have sought to exact this remarkable addition to that article, so far as it affects this question, unless it were of the opinion that its provisions were insufficient to safeguard all property of German subjects in the United States during the war.

Mr. Gerard says that one of the ministers of the foreign office, Count Montgelas, presented to him and demanded his signature to a document entitled "Agreement between Germany and the United States of America concerning the treatment of each other's citizens and their private property after the severance of diplomatic relations." I shall not read it all. It consists of nine specific articles. Articles 1 and 4 are important, however, and I will read them:

ARTICLE 1. After the severance of diplomatic relations between Germany and the United States of America and in the event of the outbreak of war between the two powers the citizens of either party and their private property in the territory of the other party shall be treated according to article 23—

And I digress here to say that that is the only article of the existing treaties between the two countries referred to in this proposed supplement—

according to article 23 of the treaty of amity and commerce between Prussia and the United States of July 11, 1799, with the following explanatory and supplementary clauses.

Mr. President, I ask leave to insert in the RECORD, without reading, the entire proposed agreement.

The PRESIDING OFFICER. Without objection, it is so ordered.

The matter referred to is as follows:

Agreement between Germany and the United States of America concerning the treatment of each other's citizens and their private property after the severance of diplomatic relations.

ARTICLE 1. After the severance of diplomatic relations between Germany and the United States of America, and in the event of the outbreak of war between the two powers, the citizens of either party and their private property in the territory of the other party shall be treated according to article 23 of the treaty of amity and commerce between Prussia and the United States of July 11, 1799, with the following explanatory and supplementary clauses:

ART. 2. German merchants in the United States and American merchants in Germany shall, so far as the treatment of their persons and their property is concerned, be held in every respect on a par with the other persons mentioned in article 23. Accordingly they shall, even after the period provided for in article 23 has elapsed, be entitled to remain and continue their profession in the country of their residence.

Merchants, as well as the other persons mentioned in article 23, may be excluded from fortified places or other places of military importance.

ART. 3. Germans in the United States and Americans in Germany shall be free to leave the country of their residence within the times and by the routes that shall be assigned to them by the proper authorities.

The persons departing shall be entitled to take along their personal property, including money, valuables, and bank accounts, excepting such property the exportation of which is prohibited according to general provisions.

ART. 4. The protection of Germans in the United States and of Americans in Germany, and of their property, shall be guaranteed in accordance with the laws existing in the countries of either party. They shall be under no other restrictions concerning the enjoyment of their private rights and the judicial enforcement of their rights than neutral residents; they may accordingly not be transferred to concentration camps, nor shall their private property be subject to sequestration or liquidation or other compulsory alienation, except in cases that under the existing laws apply also to neutrals.

As a general rule, German property in the United States and American property in Germany shall not be subject to sequestration or liquidation or other compulsory alienation under other conditions than neutral property.

ART. 5. Patent rights or other protected rights held by Germans in the United States or Americans in Germany shall not be declared void, nor shall the exercise of such rights be impeded nor shall such rights be transferred to others without the consent of the person entitled thereto; provided that regulations made exclusively in the interest of the State shall apply.

ART. 6. Contracts made between Germans and Americans before or after the severance of diplomatic relations, also obligations of all kinds between Germans and Americans, shall not be declared canceled, void, or in suspension, except under provisions applicable to neutrals.

Likewise the citizens of either party shall not be impeded in fulfilling their liabilities arising from such obligations either by injunctions or by other provisions unless these apply also to neutrals.

ART. 7. The provisions of the Sixth Hague Convention relative to the treatment of enemy merchant ships at outbreak of hostilities shall apply to the merchant vessels of either party and their cargo.

The aforesaid ships may not be forced to leave port unless at the same time they be given a pass recognized as binding by all the enemy sea powers to a home port or a port of an allied country or to another port of the country in which the ship happens to be.

ART. 8. The regulations of chapter 3 of the Eleventh Hague Convention relative to certain restrictions in the exercise of the right of capture in maritime war shall apply to the captains, officers, and members



of the crews of merchant ships specified in article 7 and of such merchant ships that may be captured in the course of a possible war.

ART. 9. This agreement shall apply also to the colonies and other foreign possessions of either party.  
Berlin, February —, 1917.

Mr. THOMAS. Article 4 of that document reads as follows:

The protection of Germans in the United States and of Americans in Germany and of their property shall be guaranteed in accordance with the laws existing in the countries of either party.

Not by this treaty, but by the laws of the United States with regard to German subjects and their property, and the laws of Germany with regard to American citizens and their property.

They shall be under no other restrictions concerning the enjoyment of their private rights and the judicial enforcement of their rights than neutral residents; they may accordingly not be transferred to concentration camps nor shall their private property be subject to sequestration or liquidation or other compulsory alienation except in cases that under the existing laws apply also to neutrals.

As a general rule German property in the United States and American property in Germany shall not be subject to sequestration or liquidation or other compulsory alienation under other conditions than neutral property.

Mr. President, the German foreign office is generally represented by the keenest intellects in the Empire. They are thoroughly familiar with their treaty obligations, notwithstanding that it has become their custom to disregard or violate them.

Mr. SMITH of Michigan. Mr. President, is this an interpretation placed upon this treaty by the foreign office?

Mr. THOMAS. I so consider it. Of course, my opinion may be incorrect, but I am unable to understand why the German Government took advantage of the necessity then confronting our ambassador of securing passports and safe conduct by trying to compel him to sign this document as a condition to his receipt of his passports, if the German foreign office considered the existing treaty obligations with this country as being sufficient to protect and safeguard the property of German subjects in the United States in the event of war.

Mr. SMITH of Michigan. To say the least, if our ambassador had signed such a document, it would not have risen to the dignity of a treaty.

Mr. THOMAS. Oh, of course not. The ambassador's signature to these articles would have been of no binding force upon the United States. But Germany wanted it; and the fact that she wanted it at that time and by these means seems the best possible evidence of her construction of the treaty as being insufficient to accomplish the objects for which article 23 was designed. She felt, in all probability, that, given this agreement, she could utilize it during the war, and in the event she was victorious she could enforce its provisions after the war, and demand reparation from us had we failed to recognize it.

But, Mr. President, there is another view of the situation with regard to article 23. It is very specific. It distinguishes merchants and their property from other individuals in other classes of occupation. Merchants are given nine months in which to arrange their affairs, dispose of their effects, and leave the country. All others are permitted to continue their usual employment, and shall not be interfered with. Of course, merchants failing to take advantage of the nine-months' provision can no longer claim exemption. On the other hand, in 1799, as the Senator from Pennsylvania suggested, there existed no great combinations of capital engaged in the production of manufactures upon a colossal scale. Perhaps they were not dreamed of, and there is nothing in the phraseology of this article which is broad enough to require us, either legally or morally, to include corporations—these huge manufacturing combinations, these artificial persons—within the purview of this article; that perhaps was one of the reasons which moved the German foreign office to demand the expansion of this clause. If I am correctly informed, all of the property which has been seized by the Alien Property Custodian is the property of corporations. I ask the Senator from Alabama if that is not correct?

Mr. UNDERWOOD. Yes; I think that is correct. I can not speak with absolute authority, but my understanding is that practically all the property that has been seized is corporate property.

Mr. THOMAS. Certainly it must be true that no alien in the peaceable pursuit of his employment, and owning property, has been interfered with.

Mr. UNDERWOOD. I think that is absolutely the fact.

Mr. THOMAS. That being the case, although I quite agree with the Senator from Alabama that if there has been a violation of this treaty it has already occurred in the enactment of the alien-property law, then the literal provisions of the article have been adhered to; the property of merchants is now subject to sequestration and confiscation, the nine months having expired; the property of others mentioned in the article has not been interfered with, but we have seized that class of property

belonging to artificial creations coming into existence subsequent to this treaty, and which, of course, could not then have been contemplated.

Furthermore, Mr. President, these huge organizations have been, and unless they had been interfered with might have continued, in the exercise of their occupations in the production of vast quantities of manufactured goods, to be used inimically to the interests and welfare of this country, either directly or through the vast profits which are made in their manufacture, thus placing a large fund in the hands of alien enemies in this country having an artificial corporate existence. Now, the law of self-preservation, Mr. President, is the first law of nations, as of individuals; and under such circumstances, in the absence of some specific treaty prohibition, coupled with the absence of a violation of the treaty by the German Empire upon its part, that principle of self-preservation requires us to take this property and to hold it, lest it be otherwise used to the detriment of the Republic.

So that my own view is—though I have not been able to give the question that earnest and serious consideration that it deserves in the brief time that has elapsed since it has been brought before the Senate—in consideration of these circumstances, the Congress rightly passed the alien-property law; and this is merely the logical sequence of that statute, since otherwise these huge accumulations and the conduct of these businesses would only tend in the long run to embarrass, if it did not seriously interfere with, the progress of the war.

But, Mr. President, there are other provisions in this treaty relating to the use of ports and harbors which Germany and her subjects have disregarded, thus justifying our abrogation of the whole. We know that all German vessels of any consequence interned in our harbors by the war have been converted into arsenals, into the meeting places of conspirators against the citizens and the Government of the United States. We know that destructive machines of various kinds were made in these ships while sheltered under the provision of the treaty which forbids search and seizure except under circumstances specified therein. We know, Mr. President, that many a neutral ship has been sent to the bottom of the sea since this war began by bombs manufactured in the holds of German vessels enjoying the protection of neutrality in the harbors of New York and the other ports of this country, and we also know that from them have issued, from time to time, in distinct violation of other provisions of this treaty, weapons and sustenance to conspirators charged with the obligation and armed to destroy American factories, make war upon friendly neighboring neutral countries, and in other ways promoting the cause of Germany in this worldwide war under the shield of our neutrality. Knowing this, in addition to the deficiencies of this particular article, we have the right to conclude, because the facts justify it, that Germany herself, before we entered this war, violated other provisions of this treaty, and therefore released us from all legal or moral obligation to regard it at all.

So, Mr. President, I think we can with perfect impunity, and especially in view of the opinion of the State Department that this treaty obligation will not be in anywise infringed by the enactment of the proposed measure, write it upon the statute books of the country, so that this vast enemy property may be made to contribute instead of antagonize our prosecution of this war.

Mr. STONE. Mr. President, I have waited until the conclusion of the debate upon this amendment to say what I am now about to say, and to say which will require only a few moments.

On Saturday the deficiency bill, now pending, was brought before the Senate at about this hour—that is to say, about 5 o'clock in the afternoon. Just about that time a distinguished Senator of long service and high character said to me that he was of the opinion that the amendment now under discussion was probably violative of our international or treaty obligations. Shortly thereafter the Senator from Virginia presented this amendment. When it was offered from the floor I had had no time to examine it; and so, in view of what I have stated, I asked the Senator from Virginia, in charge of the bill, to let it go over until the next legislative day, which is to-day. I asked that because of what had been said to me; I desired to examine the amendment and to examine for my own satisfaction the question or questions involved which had been suggested to me. That was my reason for requesting that the amendment should lie over for the day.

Mr. President, for myself, I felt that if it were true, or if in my opinion I found it to be true, that the proposed amendment was violative of our obligations under any treaty we had made, we ought not to follow a bad example of regarding treaties made by the United States as "scraps of paper." I felt, as the Senator from Colorado [Mr. THOMAS] has expressed his feel-

ing, that one of the proud things in our national life is that the United States stands by its plighted faith. I want that record maintained now even more than ever, no matter whether to our advantage or not. Never has there been a time when our Government should be more scrupulous in this regard. Therefore I wanted to look into the matter before acting. In the interval I have looked into it as far as I could.

I have reviewed the treaties between the United States and Prussia of 1799 and 1828—the treaties that seem to be relevant to the consideration of this particular question. Moreover, I have reviewed several of the standard works on international law bearing upon the question as to the effects of war upon treaties when the contracting powers subsequently become engaged in war with each other. I need hardly say that I noted the provisions of these treaties which refer to conditions growing out of a possible war between the contracting powers. I went over the whole case as well as I could in the brief time at my command.

Mr. President, I have no thought of entering into this discussion; I suppose the discussion is at an end. Anyhow, I do not wish to prolong it. I desired merely to say that as the result of my investigation of the subject I concluded that this legislation was proper, that it was permissible—that, considering all the circumstances, this law could be enacted without violating our national good faith.

Mr. KELLOGG. I did not understand what the Senator's conclusion was. I did not hear what he said after he spoke of having read the treaties.

Mr. STONE. I stated that after reading the treaties and after examining authorities outside the treaties, my conclusion was that the legislation proposed can be enacted without a violation of our obligations to Prussia under the treaties. Possibly the question may be said to be a debatable one, but even if the scales were fairly balanced it is better for us in a time of desperate war to decide for our own country.

Mr. FRELINGHUYSEN. Mr. President, I offer an amendment to the amendment and ask that it be read.

The PRESIDING OFFICER. The Secretary will read the amendment to the amendment.

The SECRETARY. Add at the end of the amendment the following additional proviso:

And provided further, That any property, other than that sold to the United States, sold under this act shall be sold at public auction to citizens of the United States only and to the highest bidder.

Mr. MARTIN. Mr. President, I am not going to debate the amendment to the amendment. I am simply going to say that I hope sincerely the administration of this law will not be embarrassed by requiring an auction sale, but we will leave that to Mr. Palmer.

Mr. FRELINGHUYSEN. Mr. President, I simply want to say that the Alien Property Custodian if compelled to sell this property should offer it at public sale in order to protect minority stockholders so that they might have the opportunity to bid for the property.

The PRESIDENT pro tempore. The question is on agreeing to the amendment to the amendment.

Mr. GALLINGER. Mr. President, if in order, and I think it is, I ask that the amendment to the amendment be again read.

The Secretary again read Mr. FRELINGHUYSEN's amendment to the amendment.

Mr. MARTIN. I ask for the yeas and nays.

The yeas and nays were ordered, and the Secretary proceeded to call the roll.

Mr. KELLOGG (when his name was called). I have a general pair with the senior Senator from North Carolina [Mr. SIMMONS] and withhold my vote.

Mr. KENDRICK (when his name was called). I have a general pair with the senior Senator from New Mexico [Mr. FALL]. I transfer that pair to the junior Senator from New Mexico [Mr. JONES] and vote "nay."

Mr. KNOX (when his name was called). I have a general pair with the senior Senator from Oregon [Mr. CHAMBERLAIN]. I transfer that pair to the senior Senator from Connecticut [Mr. BRANDEGEE] and vote "yea."

Mr. WEEKS (when Mr. LODGE's name was called). I wish to announce that my colleague [Mr. LODGE] is absent, attending to important business.

Mr. OVERMAN (when Mr. SIMMONS's name was called). My colleague [Mr. SIMMONS] is absent on business of importance. He is paired with the junior Senator from Minnesota [Mr. KELLOGG].

Mr. SMITH of Georgia (when his name was called). I am paired with the Senator from Massachusetts [Mr. LODGE] and withhold my vote.

Mr. UNDERWOOD (when his name was called). I have a general pair with the junior Senator from Ohio [Mr. HARDING]. I transfer my pair to the junior Senator from Illinois [Mr. LEWIS] and vote "nay."

Mr. WEEKS (when his name was called). I transfer my general pair with the senior Senator from Kentucky [Mr. JAMES] to the senior Senator from Rhode Island [Mr. COLT] and vote "yea."

Mr. WOLCOTT (when his name was called). I inquire if the Senator from Indiana [Mr. WATSON] has voted?

The PRESIDENT pro tempore. He has not.

Mr. WOLCOTT. I withhold my vote, being paired with that Senator.

The roll call was concluded.

Mr. BANKHEAD. I have a pair with the senior Senator from Minnesota [Mr. NELSON]. I transfer that pair to the Senator from Arizona [Mr. ASHBURST] and vote "nay."

Mr. JOHNSON of South Dakota. I am paired with the Senator from Maine [Mr. FERNALD]. Not knowing how he would vote, I withhold my vote.

Mr. DILLINGHAM. I transfer my general pair with the senior Senator from Maryland [Mr. SMITH], who is necessarily absent, to my colleague [Mr. PAGE], who is also necessarily absent, and I vote "yea."

Mr. FRELINGHUYSEN (after having voted in the affirmative). I should like to inquire if the junior Senator from Montana [Mr. WALSH] has voted?

The PRESIDENT pro tempore. He has not.

Mr. FRELINGHUYSEN. In that case I transfer my general pair to the junior Senator from Maryland [Mr. FRANCE] and allow my vote to stand.

Mr. WOLCOTT. I transfer my general pair with the Senator from Indiana [Mr. WATSON] to the senior Senator from California [Mr. PHELAN] and vote "nay."

Mr. JOHNSON of South Dakota. I transfer my pair with the Senator from Maine [Mr. FERNALD] to the Senator from Nevada [Mr. HENDERSON] and vote "nay."

Mr. GERRY. I desire to announce that the senior Senator from Kentucky [Mr. JAMES] and the senior Senator from Oregon [Mr. CHAMBERLAIN] are detained by illness. I also wish to announce that the junior Senator from Kentucky [Mr. BECKHAM] and the senior Senator from California [Mr. PHELAN] are detained on official business.

The result was announced—yeas 32, nays 28, as follows:

## YEAS—32.

Baird	Gronna	McNary	Smoot
Borah	Hale	New	Sterling
Calder	Hardwick	Norris	Sutherland
Curtis	Hitchcock	Penrose	Thomas
Dillingham	Jones, Wash.	Polandexter	Townsend
Frelinghuysen	Kirby	Reed	Vardaman
Gallinger	Knox	Shafroth	Wadsworth
Gore	McCumber	Smith, Mich.	Weeks

## NAYS—28.

Bankhead	King	Ransdell	Stone
Beckham	McKellar	Robinson	Swanson
Fletcher	Martin	Saulsbury	Thompson
Gerry	Nugent	Sheppard	Underwood
Hollis	Overman	Sherman	Warren
Johnson, S. Dak.	Pittman	Smith, Ariz.	Williams
Kendrick	Pomerene	Smith, S. C.	Wolcott

## NOT VOTING—35.

Ashurst	France	La Follette	Shields
Brandegge	Goff	Lewis	Simmons
Broussard	Harding	Lodge	Smith, Ia.
Chamberlain	Henderson	McLean	Smith, Md.
Colt	James	Myers	Tillman
Culberson	Johnson, Cal.	Nelson	Trammell
Cummins	Jones, N. Mex.	Owen	Walsh
Fall	Kellogg	Page	Watson
Fernald	Kenyon	Pheasant	

So Mr. FRELINGHUYSEN's amendment to the amendment was agreed to.

The PRESIDENT pro tempore. The question is on agreeing to the amendment offered by the Senator from Virginia [Mr. MARTIN], chairman of the committee, on behalf of the committee, as amended.

Mr. MARTIN. I ask for the yeas and nays on the amendment.

The yeas and nays were ordered, and the Secretary proceeded to call the roll.

Mr. KNOX (when his name was called). Repeating the announcement I made on the former vote, I vote "yea."

Mr. UNDERWOOD (when his name was called). I have a general pair with the Senator from Ohio [Mr. HARDING], which I transfer to the senior Senator from Illinois [Mr. LEWIS], and vote "yea."

Mr. WEEKS (when his name was called). Making the same announcement of my pair and its transfer as before, I vote



"yea." I should like to state that my colleague [Mr. LODGE], if present, would vote "yea."

The roll call was concluded.

Mr. GERRY. I desire to announce that the senior Senator from Kentucky [Mr. JAMES] and the senior Senator from Oregon [Mr. CHAMBERLAIN] are detained by illness. I also wish to announce that the junior Senator from Kentucky [Mr. BECKHAM] and the senior Senator from California [Mr. PHELAN] are detained on official business.

Mr. DILLINGHAM. I have a general pair with the senior Senator from Maryland [Mr. SMITH], who is absent. For that reason I withhold my vote.

Mr. KELLOGG (after having voted in the affirmative). I have a general pair with the senior Senator from North Carolina [Mr. SIMMONS], but I am informed that he would vote the same way that I did, and I will allow my vote to stand.

Mr. FIELINGHUYSEN. I transfer my general pair with the Senator from Montana [Mr. WALSH] to the Senator from Vermont [Mr. PAGE] and vote "yea."

Mr. SMITH of Georgia. I have a general pair with the senior Senator from Massachusetts [Mr. LODGE], but as the junior Senator from Massachusetts [Mr. WEEKS] announced that his colleague would vote as I would vote, I am at liberty to vote. I vote "yea."

Mr. BANKHEAD. I announce my general pair with the senior Senator from Minnesota [Mr. NELSON] and will state that if he were present he would vote "yea." I vote "yea."

The result was announced—yeas 64, nays 0, as follows:

#### YEAS—64.

Baird	Hollis	Overman	Smith, Mich.
Bankhead	Johnson, S. Dak.	Owen	Smith, S. C.
Beckham	Jones, Wash.	Penrose	Smoot
Borah	Kellogg	Pittman	Stone
Calder	Kendrick	Polindexter	Sutherland
Curtis	Kenyon	Pomerene	Swanson
Fletcher	King	Ransdell	Thomas
France	Kirby	Reed	Thompson
Frellinghuysen	Knox	Robinson	Townsend
Gallinger	McCumber	Saulsbury	Underwood
Gerry	McKellar	Shafroth	Vardaman
Gore	McNary	Sheppard	Wadsworth
Gronna	Martin	Sherman	Warren
Hale	New	Shields	Watson
Hardwick	Norris	Smith, Ariz.	Weeks
Hitchcock	Nugent	Smith, Ga.	Williams

#### NOT VOTING—31.

Ashurst	Fall	La Follette	Simmons
Brandegge	Fernald	Lewis	Smith, Md.
Bronnard	Goff	Lodge	Sterling
Chamberlain	Harding	McLean	Tillman
Colt	Henderson	Myers	Trammell
Culberson	James	Nelson	Walsh
Cummins	Johnson, Cal.	Page	Wolcott
Dillingham	Jones, N. Mex.	Phelan	

So Mr. MARTIN's amendment was agreed to.

Mr. GRONNA. Mr. President, I desire to inquire of the chairman of the committee if it is his intention to finish the bill to-night?

Mr. MARTIN. I think it is impossible to finish the bill to-night, and I intend to ask the Senate to take a recess until 12 o'clock to-morrow.

Mr. GRONNA. I desire to call attention to the item which I observe has been stricken from the bill on page 78. It is an appropriation of \$250,000 for the Indian schools.

Mr. MARTIN. That was stricken out because a similar appropriation is in the Indian appropriation bill.

Mr. GRONNA. Yes; that is true. Mr. President, but I want to call attention to the fact that in the Indian country many of these schools are about to close, and it may be three weeks or a month perhaps before the Indian appropriation bill is passed. I sincerely hope that the committee will reinsert this provision. It would be a tremendous loss to those schools to have them closed, and I am quite sure the Senate is unwilling to do that. I do not apprehend that there will be any objection to the appropriation. It was estimated for by the Indian Bureau.

Mr. MARTIN. The Indian appropriation bill is on the calendar, and I hesitate to carry the same item on two bills pending in the Senate.

Mr. GRONNA. I want to assure the Senator that it is not my desire to have it provided for in more than one bill; but I am quite sure it will take some time before we pass the Indian appropriation bill, and I see no reason why we can not just as well include the item in this bill as in the Indian appropriation bill.

Mr. MARTIN. The Senator can bring it up to-morrow; but I must confess my objection to carrying an Indian appropriation bill item in this bill when the other bill is on the calendar. The Senator can, however, bring the question up to-morrow.

Mr. GRONNA. If the Senator objects to it, of course I will probably have to be content.

#### EXECUTIVE SESSION.

Mr. MARTIN. 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.

#### RECESS.

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

The motion was agreed to; and (at 5 o'clock and 30 minutes p. m., Monday, March 11, 1918) the Senate took a recess until to-morrow, Tuesday, March 12, 1918, at 12 o'clock meridian.

#### CONFIRMATION.

*Executive nomination confirmed by the Senate March 11 (legislative day of March 8), 1918.*

#### UNITED STATES DISTRICT ATTORNEY.

Wilson S. Hill, of Clarksdale, to be United States attorney, northern district of Mississippi.

### HOUSE OF REPRESENTATIVES.

MONDAY, March 11, 1918.

The House met at 12 o'clock noon.

The Chaplain, Rev. Henry N. Couden, D. D., offered the following prayer:

Almighty God our Heavenly Father, whose ways are past finding out, we approach Thee in perfect faith and confidence, believing that Thou art supreme.

That in spite of all the terrible tragedies enacted about us and the awful disasters which overtake us, Thou dost rule and overrule for the eternal good of Thy children.

We pray for light to guide us in our undertakings, for strength to sustain us in right doing; that we may work together with Thee for the upbuilding of Thy Kingdom; that Thy will may be done in all hearts, in the Spirit of the Lord Jesus Christ. Amen.

The Journals of the proceedings of Saturday March 9, 1918, and Sunday, March 10, 1918, were read and approved.

#### GIFT TO EX-REPRESENTATIVE FITZGERALD.

Mr. TREADWAY. Mr. Speaker, in behalf of the gentlemen who acted as a committee in arranging for the gift to our former colleague, the Hon. John J. Fitzgerald, I ask to present a report, addressed to you, and to have it read by the Clerk, as well as Mr. Fitzgerald's response.

The SPEAKER. While this is not strictly a House matter, it pertains so closely to it that the Chair feels justified in having it read.

The Clerk read as follows:

HOUSE OF REPRESENTATIVES OF THE UNITED STATES,  
Washington, D. C., March 8, 1918.

The Hon. CHAMP CLARK,  
Speaker of the House, Washington, D. C.

DEAR MR. SPEAKER: The committee having in charge the collection of funds for presentation of a suitable gift to Hon. John J. Fitzgerald upon his retirement from the House of Representatives beg leave to report as follows:

The total amount collected from Members of the House was \$1,023. Mr. Fitzgerald was asked to make such selection of present as he, in consultation with Mrs. Fitzgerald, might desire. He has notified the committee of a purchase of a complete set of sterling-silver tableware in a suitable chest, 25 per cent more in quantity than actual cash paid therefor.

This bill has been paid by the committee, together with the bill for Christmas gift to Hon. JAMES R. MANN, who, at the time of the collection, was ill in a hospital in Baltimore.

There is a balance on hand of \$4.00, which the committee has asked Mr. Fitzgerald to contribute to some war-charity fund. Mr. Fitzgerald's letter of acknowledgment accompanies this report.

Yours, very truly,

JAS. MCANDREWS.  
JOHN J. EAGAN.  
ALLEN T. TREADWAY.

NEW YORK, March 7, 1918.

Hon. ALLEN T. TREADWAY,  
House of Representatives, Washington, D. C.

DEAR ALLEN: As I recently informed you, Mrs. Fitzgerald suggested that the memento from the House be some flat silver, her notion being that it would be something the use of which would constantly recall the great kindness of the Members, and could more readily be appropriated between our little girls after we are gone.

The chest of silver of more than 250 pieces has been delivered. It is a beautiful gift, and appreciated more than I can adequately express. The brief period that has elapsed since my retirement has given me an opportunity to realize much more keenly the wonderful, wholehearted, and sincere friendship of my colleagues. It is a memory

which is cherished most highly, and is the most precious heritage I shall leave my children.

May I again most heartily thank the House and acknowledge my great indebtedness to my former colleagues for their consideration.

As ever, very sincerely, yours,

JOHN J. FITZGERALD.

[Applause.]

LATE REPRESENTATIVE MAJ. AUGUSTUS P. GARDNER.

Mr. LUFKIN. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by inserting a copy of the resolutions adopted by the Massachusetts delegation in Congress on the occasion of the death of their former colleague, Maj. Augustus P. Gardner.

The SPEAKER. The gentleman from Massachusetts asks unanimous consent to extend his remarks in the RECORD by printing the resolutions of the Massachusetts delegation touching the death of Maj. Augustus P. Gardner. Is there objection?

There was no objection.

Mr. LUFKIN. Mr. Speaker, in accordance with the permission given me by the House, I am presenting below a copy of the resolutions adopted by the members of the Massachusetts delegation in the House of Representatives on the death of their former colleague, Maj. Augustus P. Gardner. These resolutions were signed by every member of the delegation, regardless of party.

#### MEMORIAL.

We, the members of the Massachusetts delegation to the United States House of Representatives, subscribe to this memorial to the late Maj. Augustus Peabody Gardner, in manifestation of our deep affection for him and our high appreciation of his life service to his country. In his death we suffer the great personal loss of men who have known, from intimate association with him, his personal graciousness, charm, and unswerving loyalty.

We shall not, in this memorial, indeed we need not, make allusion to Maj. Gardner's high character, his great and varied abilities, his unrelenting industry, his stalwart and forceful personality. These are known to all men. We desire rather to refer to one phase of his career—the phase which history will emphasize as his greatest contribution to his country.

Maj. Gardner was in the truest and largest sense the proponent in the United States of the movement for its adequate military and naval defense. Before the echoes of the battle of the Marne had ceased Maj. Gardner had embarked upon his campaign. To it, for more than three years, he devoted himself, body and mind, with an energy and absorption which have seldom been equaled. It was a task requiring genuine courage and perseverance to arouse a peace-loving Nation to realization of the dangers of aggression from over seas. He met opposition, censure, and even insult. Undismayed and undeterred, however, he pressed unswervingly onward. The Nation has at length recognized the dangers which he foretold and the need of the remedies for which he appealed. To-day we are able to appraise, although, perhaps, still imperfectly, the supreme importance of the mission which he made his.

When war came to the Nation he at once resigned his seat in the House of Representatives. The insistent advocate in time of peace of national defense became in time of war one of the Nation's active defenders. His resignation in order to enter the Army was characteristic of the man, and indeed to those who knew him, inevitable. He deemed it his duty to fight. However great the sacrifice, he instantly made the decision and gave up the high place in Congress which 15 years of earnest labor had won for him.

Perhaps in a measure his life work—the awakening of the Nation—is accomplished. We hope that he died with that thought to comfort him. We hope that to his family there may be solace in the knowledge. But we wish that his great desire might have been fulfilled—the desire for which he sought and obtained not promotion but demotion in rank—the desire to go "over the top" in command of his men and in defense of his country.

He was a true friend, a true man, a true patriot. We shall miss him every day.

FREDERICK H. GILLET.  
WILLIAM S. GREENE.  
SAMUEL E. WINSLOW.  
JOHN JACOB ROGERS.  
ALLEN T. TREADWAY.  
MICHAEL F. PHELAN.  
RICHARD OLNEY.  
WILLIAM H. CARTER.

GEORGE HOLDEN TINKHAM.  
JOSEPH WALSH.  
CALVIN D. PAIGE.  
FREDERICK W. DALLINGER.  
PETER F. TAGUE.  
ALVAN T. FULLER.  
JAMES A. GALLIVAN.  
WILLFRED W. LUFKIN.

#### MESSAGE FROM THE SENATE.

A message from the Senate, by Mr. Waldorf, its enrolling clerk, announced that the Senate had passed with amendments the bill (H. R. 9314) making appropriations for the Diplomatic and Consular Service for the fiscal year ending June 30, 1919, in which the concurrence of the House of Representatives was requested.

The message also announced that the Senate had agreed to the amendment of the House of Representatives to the bill (S. 3471) to authorize the Secretary of War to grant furloughs without pay and allowance to enlisted men of the Army of the United States.

The message also announced that the Senate had disagreed to the amendments of the House of Representatives to the joint resolution (S. J. Res. 117) amending the act of July 2, 1909, governing the holding of civil-service examinations, had requested a conference with the House on the disagreeing votes of the two Houses thereon, and had appointed Mr. McKELLAR, Mr. HOLLIS, and Mr. SMOOT as the conferees on the part of the Senate.

ENROLLED BILL PRESENTED TO THE PRESIDENT FOR HIS APPROVAL.

Mr. LAZARO, from the Committee on Enrolled Bills, reported that this day they had presented to the President of the United States for his approval the following bill:

H. R. 7998. An act granting the consent of Congress to the village of East Dundee and the village of West Dundee to construct a bridge across the Fox River.

#### LEAVE OF ABSENCE.

By unanimous consent, leave of absence was granted as follows:

To Mr. POLK, for to-day, on account of important business; and

To Mr. CANTRILL, for three days, on account of death of a relative.

#### TAXES ON INCOMES, DISTRICT OF COLUMBIA.

Mr. JOHNSON of Kentucky. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill (H. R. 9248) to prevent extortion, to impose taxes upon certain incomes in the District of Columbia, and for other purposes.

The SPEAKER. The gentleman from Kentucky [Mr. JOHNSON] moves that the House resolve itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill H. R. 9248.

Mr. TINKHAM. Mr. Speaker, I make the point that there is no quorum present.

The SPEAKER. The gentleman from Massachusetts [Mr. TINKHAM] makes the point that there is no quorum present, and evidently there is not.

The Doorkeeper will close the doors, the Sergeant at Arms will notify the absentees. Those in favor of the House resolving itself into the Committee of the Whole House on the state of the Union on the bill H. R. 9248 will, when their names are called, answer "yea," and those opposed will answer "nay," and the Clerk will call the roll.

The question was taken; and there were—yeas 312, nays 8, not voting 108, as follows:

#### YEAS—312.

Alexander	Denton	Hensley	Merritt
Almon	Dewalt	Hersey	Miller, Wash.
Anderson	Dickinson	Hicks	Mondell
Ashbrook	Dill	Hilliard	Montague
Aswell	Dillon	Holland	Moon
Austin	Dixon	Houston	Morgan
Ayres	Dominick	Howard	Mott
Baer	Doolittle	Huddleston	Mudd
Bankhead	Doremus	Hull, Iowa	Nelson
Barkley	Dowell	Hull, Tenn.	Nicholls, S. C.
Barnhart	Drane	Humphreys	Nichols, Mich.
Beakes	Dupré	Igoe	Nolan
Bell	Dyer	Ireland	Norton
Beshlin	Elliott	Jacoway	Oldfield
Black	Ellsworth	James	Oliver, Ala.
Blackmon	Elston	Johnson, Ky.	Oliver, N. Y.
Bland	Emerson	Johnson, Wash.	Oliney
Blanton	Esch	Jones, Tex.	Osborne
Boomer	Estopinal	Juhl	O'Shaunessy
Borland	Evans	Kearns	Overmyer
Bowers	Fairfield	Keating	Overstreet
Brand	Farr	Kelley, Mich.	Padgett
Britten	Ferris	Kelly, Pa.	Palge
Browne	Foss	Kennedy, Iowa	Park
Browning	Foster	Kennedy, R. I.	Peters
Brumbaugh	Francis	Kettner	Pou
Burnett	Frear	Key, Ohio	Powers
Burroughs	Freeman	Kless, Pa.	Pratt
Butler	Fuller, Ill.	Kincheloe	Price
Byrnes, S. C.	Fuller, Mass.	King	Purnell
Byrns, Tenn.	Gallagher	Kinkaid	Quin
Campbell, Kans.	Gandy	Kitchin	Rainey
Candler, Miss.	Gard	Knutson	Raker
Caraway	Garner	La Follette	Ramsey
Carlin	Garrett, Tenn.	Langley	Ramseyer
Carter, Mass.	Gillett	Larsen	Randall
Carter, Okla.	Glass	Lazaro	Randkin
Cary	Glynn	Lea, Cal.	Rayburn
Chandler, Okla.	Godwin, N. C.	Lever	Reavis
Church	Good	Linthicum	Reed
Clason	Goodwin, Ark.	Littlepage	Robbins
Claypool	Gordon	Lobeck	Roberts
Collier	Graham, Ill.	Tonerger	Rodenberg
Connally, Tex.	Gray, Ala.	Longworth	Rogers
Connely, Kans.	Green, Iowa	Lufkin	Romjue
Cooper, W. Va.	Greene, Vt.	Lundeen	Rose
Cooper, Wis.	Gregg	Lunn	Rouse
Copley	Hadley	McAndrews	Ruby
Cox	Hamilton, Mich.	McArthur	Rucker
Cramton	Hamlin	McKenzie	Russell
Crosser	Hardy	McKinley	Sabath
Dale, N. Y.	Harrison, Miss.	McLaughlin, Pa.	Sanders, Ind.
Dale, Vt.	Harrison, Va.	McLemore	Sanders, La.
Dallinger	Hastings	Madden	Sanders, N. Y.
Darrow	Haugen	Magee	Sanford
Davidson	Hawley	Mansfield	Saunders, Va.
Davis	Hayden	Mapes	Schall
Decker	Hayes	Martin	Scott, Iowa
Dempsey	Hefflin	Mason	Scott, Mich.
Denison	Helm	Mays	Searl
Dent	Helvering	Meeker	Sells



Shallenberger	Stephens, Miss.	Treadway	Whaley
Sherley	Steiling, Ill.	Vare	Wheeler
Sherwood	Stiness	Venable	White, Me.
Shouse	Strong	Vestal	White, Ohio
Sims	Summers	Vinson	Williams
Sinnett	Sweet	Voigt	Wilson, Ill.
Slayden	Tague	Volstead	Wilson, Tex.
Slomp	Talbot	Waldow	Wingo
Sloan	Taylor, Ark.	Walton	Winslow
Smith, Idaho	Taylor, Colo.	Ward	Wise
Smith, C. B.	Temple	Wason	Wood, Ind.
Smith, T. F.	Thomas	Watkins	Woods, Iowa
Snell	Thompson	Watson, Va.	Woodyard
Steagall	Tillman	Weaver	Wright
St. dman	Tison	Webb	Young, N. Dak.
Steele	Timberlake	Welling	Young, Tex.
Steenerson	Towner	Welly	Zihlman

## NAYS—8.

Cannon	Jones, Va.	Parker, N. J.	Tinkham
Coady	Moore, Pa.	Stafford	Walsh

## NOT VOTING—108.

Anthony	Fairchild, G. W.	Johnson, S. Dak.	Polk
Bacharach	Fess	Kahn	Porter
Brodbeck	Fields	Kehoe	Ragsdale
Buchanan	Fisher	Kraus	Riordan
Caldwell	Flood	Kreider	Robinson
Campbell, Pa.	Flynn	LaGuardia	Rowe
Cantrill	Focht	Lee, Ga.	Rowland
Capstick	Fordney	Lehlbach	Scott, Pa.
Carew	French	Lenroot	Scully
Chandler, N. Y.	Gallivan	Leshner	Shackleford
Clark, Fla.	Garland	Little	Siegel
Clark, Pa.	Garrett, Tex.	London	Sisson
Cooper, Ohio	Goodall	McClintic	Small
Costello	Gould	McCormick	Smith, Mich.
Crago	Graham, Pa.	McCulloch	Snook
Crisp	Gray, N. J.	McFadden	Snyder
Currie, Mich.	Greene, Mass.	McKeown	Stephens, Nebr.
Curry, Cal.	Griest	McLaughlin, Mich.	Sterling, Pa.
Dies	Hamill	Maier	Stevenson
Dooling	Hamilton, N. Y.	Mann	Sullivan
Doughton	Haskell	Miller, Minn.	Swift
Drukker	Heaton	Moore, Ind.	Switzer
Dunn	Helntz	Morin	Templeton
Eagan	Hollingsworth	Neely	Van Dyke
Eagle	Hood	Parker, N. Y.	Walker
Edmonds	Husted	Phelan	Watson, Pa.
Fairchild, B. L.	Hutchinson	Platt	Wilson, La.

So the motion was agreed to.

The Clerk announced the following pairs:

Until further notice:

Mr. KEHOE with Mr. GEORGE W. FAIRCHILD.  
 Mr. STEVENSON with Mr. HAMILTON of New York.  
 Mr. MCCLINTIC with Mr. CURRY of California.  
 Mr. POLK with Mr. HASKELL.  
 Mr. LEE of Georgia with Mr. SWIFT.  
 Mr. CLARK of Florida with Mr. CHANDLER of New York.  
 Mr. SCULLY with Mr. COSTELLO.  
 Mr. STEPHENS of Nebraska with Mr. BENJAMIN L. FAIRCHILD.  
 Mr. DIES with Mr. EDMONDS.  
 Mr. ROBINSON with Mr. DUNN.  
 Mr. CRISP with Mr. FORDNEY.  
 Mr. DOUGHTON with Mr. GREENE of Massachusetts.  
 Mr. GALLIVAN with Mr. HOLLINGSWORTH.  
 Mr. BRODBECK with Mr. ANTHONY.  
 Mr. BUCHANAN with Mr. CLARK of Pennsylvania.  
 Mr. CALDWELL with Mr. COOPER of Ohio.  
 Mr. CAMPBELL of Pennsylvania with Mr. BACHARACH.  
 Mr. DOOLING with Mr. CRAGO.  
 Mr. CANTRILL with Mr. FESS.  
 Mr. EAGAN with Mr. FOCHT.  
 Mr. CAREW with Mr. FRENCH.  
 Mr. EAGLE with Mr. GARLAND.  
 Mr. FIELDS with Mr. GOODALL.  
 Mr. FISHER with Mr. GOULD.  
 Mr. FLOOD with Mr. GRAHAM of Pennsylvania.  
 Mr. FLYNN with Mr. GRAY of New Jersey.  
 Mr. HAMILL with Mr. GRIEST.  
 Mr. GARRETT of Texas with Mr. HEATON.  
 Mr. HOOD with Mr. KAHN.  
 Mr. LESHNER with Mr. LEHLBACH.  
 Mr. MCKEOWN with Mr. LITTLE.  
 Mr. MAHER with Mr. MCCULLOCH.  
 Mr. NEELY with Mr. HUSTED.  
 Mr. PHELAN with Mr. MCFADDEN.  
 Mr. RAGSDALE with Mr. MCLAUGHLIN of Michigan.  
 Mr. RIORDAN with Mr. HUTCHINSON.  
 Mr. SHACKLEFORD with Mr. MILLER of Minnesota.  
 Mr. SISSON with Mr. MOORES of Indiana.  
 Mr. SMALL with Mr. PARKER of New York.  
 Mr. SNOOK with Mr. PLATT.  
 Mr. STERLING of Pennsylvania with Mr. ROWE.  
 Mr. SULLIVAN with Mr. ROWLAND.  
 Mr. VAN DYKE with Mr. SIEGEL.  
 Mr. WALKER with Mr. SMITH of Michigan.  
 Mr. WILSON of Louisiana with Mr. SWITZER.  
 The result of the vote was announced as above recorded.

The SPEAKER. A quorum is present. The Doorkeeper will open the doors. The House resolves itself into Committee of the Whole House on the state of the Union, with the gentleman from Missouri [Mr. RUCKER] in the chair.

Thereupon the House resolved itself into Committee of the Whole House on the state of the Union for the further 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, with Mr. RUCKER in the chair.

The CHAIRMAN. The House is in Committee of the Whole House on the state of the Union for the further consideration of the bill H. R. 9248, which the Clerk will report by title.

The Clerk read as follows:

A bill (H. R. 9248) to prevent extortion, to impose taxes upon certain incomes in the District of Columbia, and for other purposes.

Mr. JOHNSON of Kentucky. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. JOHNSON of Kentucky. I want to ask whether or not general debate has expired?

The CHAIRMAN. Yes. The first paragraph was read. The Clerk will read.

The Clerk read as follows:

*Be it enacted, etc.,* That the term "real estate" as herein used shall be construed to include lands, buildings, parts of buildings, houses, dwellings, apartments, rooms, suites of rooms, and every other improvement of structure whatsoever on land situated and being in the District of Columbia.

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

Any word in this act importing the masculine gender shall be construed to extend and be applicable to females or artificial persons or bodies.

The term "income from real estate" as herein used shall be construed to include all amounts received for the daily, weekly, monthly or yearly use or occupancy of real estate or for any part of any of such periods of time.

Mr. JOHNSON of Kentucky. Mr. Chairman. I move to amend, page 1, line 4, by inserting the word "hotels" after the word "buildings." I myself do not believe that it is necessary, but since so many gentlemen have inquired of me as to whether or not it included hotels, I am apprehensive that perhaps they do not agree with me, and therefore I offer the amendment.

The CHAIRMAN. The Clerk will report the amendment offered by the gentleman from Kentucky.

The Clerk read as follows:

Amendment offered by Mr. JOHNSON of Kentucky: Page 1, line 4, after the word "buildings," insert the word "hotels."

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

Mr. JOHNSON of Kentucky. Yes.

Mr. STAFFORD. In connection with the amendment just offered, I wish to inquire whether this bill in its phraseology would extend to the charges made by the hotels in the local district and the incomes resulting therefrom in case the hotel property was leased to a third party? For instance, some years ago I remember reading that the Shoreham Hotel was leased to a certain manager at a rental—I have forgotten now what the amount was—for a term of years. The landlord is receiving a stated rental as provided in the contract of lease. I am not acquainted with the charges made at the Shoreham Hotel, but I am acquainted with the outrageous charges made by some hotel proprietors. Assuming that the manager of the Shoreham Hotel is exacting outrageous charges from guests that come here, as is the wont with some hotel proprietors, so that the income that he receives may be doubled or trebled over what he was receiving prior to December 31, 1916, would he be subject to the provisions of this act to the taxes herein provided?

Mr. JOHNSON of Kentucky. My answer to the gentleman is that the bill would apply to both the owner and the lessee of the hotel property.

Mr. STAFFORD. Where is there language that shows that it will apply to both?

Mr. JOHNSON of Kentucky. It is on page 5, in line 15. I may say to the gentleman that when we get to that place—and I wish he had reserved his inquiry until we get to it—I will move to strike out the words "real estate" and insert the word "property" or some other suitable amendment.

Mr. STAFFORD. Unless the gentleman wishes me to reserve the inquiry, let us see if the bill applies to the lessee. Would it apply to the income derived by the owner of the concession on the hotel property like a news stand or a floral stand?

Mr. JOHNSON of Kentucky. I do not think so.

Mr. STAFFORD. Would not that be income from the use of real estate just as in the case of a lessee of hotel property who receives income?

Mr. JOHNSON of Kentucky. If the gentleman will offer an amendment taking in those—

Mr. STAFFORD. No; I am seeking to reach such a lessee of the hotel property.

Mr. JOHNSON of Kentucky. The gentleman will not permit me to answer him.

Mr. STAFFORD. I am waiting for the gentleman to answer.

Mr. JOHNSON of Kentucky. No. The gentleman broke in on me every time I attempted to answer.

Mr. STAFFORD. I did not intentionally do so.

Mr. JOHNSON of Kentucky. I desired to say, and I now say, that in drafting the bill I had no intention to tax the girl who keeps the hats in the hotel or the canes or the umbrellas or any other of those little concessions. I did not bother with them. I thought the other was of sufficient magnitude to take up the attention of the House. I have no disposition to bother with those little concessions now.

Mr. STAFFORD. I do not think any of us have. My inquiry is whether the bill in its present phraseology will reach the lessees of hotel property who are charging outrageous rates?

Mr. CANNON rose.

Mr. JOHNSON of Kentucky. I have no doubt about that.

Mr. STAFFORD. I have serious question about it.

Mr. JOHNSON of Kentucky. If the gentleman will look at the definition in the bill he will find what he is after.

Mr. STAFFORD. To what does the gentleman refer, if I may ask?

The CHAIRMAN. The gentleman from Illinois is recognized.

Mr. CANNON. If the gentleman from Wisconsin is through, I would like to ask the gentleman from Kentucky a question or two.

Mr. JOHNSON of Kentucky. Yes.

Mr. CANNON. This is an effort to tax the increased incomes upon real estate within certain limits in the District defined by the bill?

Mr. JOHNSON of Kentucky. It is.

Mr. CANNON. And that applies to the owner or lessee, or whoever is in possession, I take it.

Mr. JOHNSON of Kentucky. The intention of the bill is to tax the income derived from every piece of real estate which is being excessively rented, no matter whether it be in the hands of the owner or a tenant.

Mr. CANNON. From 1916 up to the present time?

Mr. JOHNSON of Kentucky. Yes.

Mr. CANNON. I was busy in the committee room when the debate was held upon this bill. I have glanced at it, but only hastily. Does the gentleman anticipate that in the District of Columbia he breaks the way to outline similar legislation that will cover the whole United States?

Mr. JOHNSON of Kentucky. I would be very glad if it would.

Mr. CANNON. The gentleman can not speak for the other committees that may originate such bills?

Mr. JOHNSON of Kentucky. No. That question has been put to me a number of times, and I have said that the District Committee has gone as far as its jurisdiction has permitted it to go in the premises.

Mr. CANNON. I want to ask the gentleman another question.

Mr. JOHNSON of Kentucky. Very well.

Mr. CANNON. The prices of rent and real estate have all gone up in ordinary parlance. Stating it in another way the purchasing power of money has gone down. That might be stated with equal truth. Now, take a man with \$1,000,000 worth or \$100,000 worth of merchandise, say, in a department store, who had that store in 1916. The price has advanced from 25 to 100 per cent. As money has decreased in its purchasing power the property on hand has advanced rapidly. Has any effort been made to reach those plutocrats?

Mr. JOHNSON of Kentucky. I do not know that I exactly understand the gentleman.

Mr. CANNON. I mean a man who in 1916 had \$100,000 invested in goods in a department store, and who now sells them at 10 per cent or 25 per cent or 50 per cent greater profit than he would have made in the event that we had not had a war. Has there been any effort made to catch the wicked holders of personal property, as well as the holders of real estate?

Mr. JOHNSON of Kentucky. No; the bill deals only with tax on incomes from real estate. I might say to the gentleman, however, that I am reliably informed that one of the ablest Members on the floor of this House was downtown a few days ago in company with a shoe manufacturer from his district, and the two gentlemen called upon a local retail shoe dealer who was handling the shoes made by this manufacturer, and when they walked into the store they caught the retail dealer in the act of selling for \$12 a pair of shoes which the shoe manufacturer had sold to the retail dealer for \$3.75. The shoe manu-

facturer remonstrated with him, but the fellow said, "Oh, I can get that here in Washington, and I shall continue to charge it." I wish that something could be done to cure that situation, but it has not been attempted in this bill.

Mr. CANNON. That is true all over the country, and not only in Washington, as I know from experience touching shoes and so forth. Does the gentleman suppose there is any public sentiment that would attempt to reach the corn and the wheat and the cattle and the horses and the whisky, and so forth, that have advanced in price as money has decreased in its purchasing power, and is there any attempt to handle those things in the District here by any such legislation as this?

Mr. JOHNSON of Kentucky. None that I know of. There is none in this bill.

Mr. CANNON. If we have the power to pass this bill, and if it should be sustained by the courts, then we could run and glorify, I take it, touching any property.

Mr. JOHNSON of Kentucky. I shall be glad to cooperate with the gentleman in checking extortion wherever it may appear.

Mr. CANNON. Yes. What does the gentleman call extortion? Would he call it extortion in the case of Kentucky whisky, made at a cost of 12½ cents a gallon, that is now sold for I do not know what—\$10 or \$15 a gallon, is it not?

Mr. HOWARD. Whatever price the gentleman paid for the last that he bought. [Laughter.]

Mr. CANNON. I did not buy it. I am indebted to a distinguished Member of the House for a bottle of the best whisky I ever saw. I have not tasted any of it, but it has a wonderfully fine odor. [Laughter.]

Mr. JOHNSON of Kentucky. I will say to the gentleman from Illinois that the price of whisky has been increased largely because of the additional tax on it, and also because the manufacture of it has been stopped—a proposition for which I voted.

Mr. CANNON. Precisely; but in practice is that wicked man to be allowed to get that extraordinary advance on the price?

Mr. JOHNSON of Kentucky. I do not think the gentleman should undertake to justify the charging of exorbitant rents in the District of Columbia by comparing that with exorbitant prices for whisky.

Mr. CANNON. It runs all along the line. If there is equity in the one case, there ought to be in all of them.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Kentucky [Mr. JOHNSON].

Mr. TREADWAY. Mr. Chairman, I rise in opposition to the amendment; but before speaking on it I should like to inquire of the chairman of the committee whether or not at the hearing before the committee any evidence was given as to the percentage of real estate rentals in the District of Columbia to which this bill might apply? In other words, has evidence been produced showing how extensively so-called profiteering has been practiced?

Mr. JOHNSON of Kentucky. The Real Estate Brokers' Association appeared before our committee and said they could not find where advances had exceeded about 1 per cent; but I did not believe one-hundredth part of that statement.

Mr. TREADWAY. Have you found evidence that it does exceed 1 per cent?

Mr. JOHNSON of Kentucky. Oh, I have received innumerable letters—

Mr. TREADWAY. I realize that the gentleman has a great many instances; but about what is the percentage of actual rentals in the city to which he thinks his bill will apply?

Mr. JOHNSON of Kentucky. I have not undertaken to make any percentages. The job is too big, either for me or for the gentleman.

Mr. TREADWAY. May I ask the gentleman whether the increases to which he refers have to do with the direct rental of the real estate or with the subletting by tenants?

Mr. JOHNSON of Kentucky. Both; and the bill treats them all alike.

Mr. TREADWAY. May I ask which predominates in the records which the gentleman has?

Mr. JOHNSON of Kentucky. I believe that the letters, telephone messages, and personal visitors who have come to me relative to these things show that the greater number of cases of raising the rent is by the owners and not by the tenants. I had a communication this morning giving a number of them. I received this communication just before I came over to the House. If the gentleman wants to hear the names, I will read them. The writer of this communication does not ask me to withhold his name, as a great many of them do. This communication is from William S. Waudby, an employee of the Census Bureau. He cites some instances that have come to his



knowledge, in his neighborhood I believe, where the rents have been raised on the tenants by the owners of the property. The first case he mentioned is that of W. D. Ferguson, 3536 Warder Street NW., notice to buy or vacate by March 15. Owner, C. M. Clark, 1820 Kilbourne Street.

I may say just here that the owners recently have resorted to the scheme to raise rent by putting up to the tenant the proposition that he can either buy or get out. Of course, in most cases the tenant is not able to buy; and there is nothing left for him to do except to get out in the street, and then the owner rents the property to another tenant at a greater price.

Another instance is that of the writer of the letter himself, W. S. Waudby, 3408 Warder Street NW.; notice to quit April 3. Owner E. H. Gottwals, 3123 Warder Street.

Another instance is that of Arthur Jarvis, 811 Allison Street NW.; notice to vacate April 1; Jesse L. Heiskell, agent.

Another case is that of William L. Austin, 1412 Delafield Place; notice to vacate by July 1, by the owner.

Another is Ira Baker, 116 Fifth Street NE.; notice to buy or move, by Mr. Shields, agent or owner.

Mr. MEEKER. Will the gentleman yield?

Mr. JOHNSON of Kentucky. Yes.

Mr. MEEKER. The gentleman does not suggest that a man should not be permitted to offer his property for sale?

Mr. JOHNSON of Kentucky. If the gentleman from Missouri had heard what I said a moment ago, that they were resorting to these subterfuges because some now have got cold feet about going to the tenant and exacting a greater rental.

Mr. MEEKER. I heard what the gentleman said, but the proposition is for the man to purchase the property or vacate it?

Mr. JOHNSON of Kentucky. He has to do one or the other.

Mr. MEEKER. Does the gentleman object to that?

Mr. JOHNSON of Kentucky. Not if it is for a bona fide purpose; but if it is done as a subterfuge, I do object.

Mr. HARDY. Will the gentleman yield?

Mr. JOHNSON of Kentucky. Yes.

Mr. HARDY. Is there any principle under which this Congress can enact this character of legislation that would not give it the same right and authority over every article of commerce?

Mr. JOHNSON of Kentucky. In my opinion, the Government has the right to impose an income tax on the profits derived from anything.

Mr. HARDY. And to make it so onerous that it practically amounts to price fixing by the Government.

Mr. JOHNSON of Kentucky. Yes; to make it so onerous that it would prevent people from fixing exorbitant prices.

The CHAIRMAN. The time of the gentleman from Massachusetts has expired.

Mr. TREADWAY. Mr. Chairman, I ask for five minutes more.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. HARDY. Now, will the gentleman yield further to me?

Mr. TREADWAY. I will, but I want a little of the time myself.

Mr. HARDY. Does the gentleman believe that the Government has the right directly to fix the price of rents?

Mr. JOHNSON of Kentucky. That question is not involved in this bill.

Mr. HARDY. Has the Government the right to do indirectly what it can not do morally or legally or constitutionally?

Mr. JOHNSON of Kentucky. I should say no, the Government could not do anything morally wrong.

Mr. HARDY. Can it do indirectly what it has not the right to do directly?

Mr. JOHNSON of Kentucky. Whether it has that right or not, the Government has the right to fix an income tax on people who are extorting. If that is what the gentleman means to inquire, I say, yes.

Mr. HARDY. Does the gentleman claim that the Government has the right to fix prices?

Mr. JOHNSON of Kentucky. The gentleman is as capable of answering that question for himself as I am for him. It is an argument instead of a question for information.

Mr. TREADWAY. I would like to ask the chairman of the committee with reference to this matter. There is a real estate exchange here, is there not, in the District of Columbia?

Mr. JOHNSON of Kentucky. The ones who have been active in this matter call themselves the "Real Estate Brokers' Association."

Mr. TREADWAY. Whatever the title may be, is there any doubt that it is a reputable organization?

Mr. JOHNSON of Kentucky. I regard it as a reputable organization.

Mr. TREADWAY. I thought I understood the gentleman to say that he did not believe one one-hundredth part of what they said.

Mr. JOHNSON of Kentucky. That is true; I do not think their information is correct.

Mr. TREADWAY. I understood the gentleman to say that he would not believe one one-hundredth of the statements made before his committee.

Mr. JOHNSON of Kentucky. I qualify that statement by saying that I do not believe that they have the information.

Mr. TREADWAY. I have had submitted to me what I think is bona fide evidence, and it is contrary to the gentleman's information. I am going to submit this information to the House rather than to the gentleman, as the gentleman has said he does not believe it. I am informed that that association is composed of 48 real estate owners or agents in the city, who have 26,000 tenants who pay \$600,000 monthly in rentals, and that it shows an increase since September 30, 1916, of less than 1 per cent. So that all the profiteering that has been done, according to this testimony, has been done by people other than the original owners of the property.

Mr. JOHNSON of Kentucky. Will the gentleman answer a question right there.

Mr. TREADWAY. Certainly.

Mr. JOHNSON of Kentucky. If that statement is true, will this bill hurt anyone?

Mr. TREADWAY. But what earthly good is the bill if that statement is true and the gentleman can not submit evidence showing the percentage of the so-called profiteering? I realize that the gentleman has in his possession numerous cases, but where there are thousands and thousands of rentals in the city why should we legislate against a few who may perhaps be taking an unfair advantage of the tremendous demand for property here? That does not apply solely to Washington. Go to any city to-day and see if you can buy the same quality of shoes that the gentleman spoke of a moment ago at any better price. It is the case of supply and demand.

Let me make one illustration. I happen to have personal knowledge of this instance, in which a person having a rental of an apartment—and I know the person very well—the apartment was offered to be sublet for a period beginning the 1st of March. A customer was secured at the price which the person asked for it, and the very next day some one else came along and offered this tenant \$50 per month more than the bargain had been made for the day before. It was an absolute offer of \$50 a month, not in the way of trying to force anybody to rent the property at an advanced price, but the property had been rented to the tenant at a fair rental agreed upon, and the person voluntarily offered \$50 a month more. Now, then, if there are many illustrations of that, as different Members can bring forward, why force impracticable and impossible legislation on the District just because we seem to have the power to do it? That is the attitude, it seems to me, of this whole matter.

Mr. HOWARD. Mr. Chairman, I would like to get about three minutes in opposition to this amendment.

The CHAIRMAN. The Chair will recognize the gentleman from Georgia.

Mr. HOWARD. Mr. Chairman and gentlemen of the committee, my judgment about this situation is this: Practically overnight 68,000 people have been added to the population of the city of Washington. I have had a good many personal experiences with constituents who have come here as clerks. For instance, they would get a wire from the War Department that they were wanted here to report as stenographers at \$1,200 a year. They were probably getting \$70 a month at home. They would get on a train and come up here, and then when they got here the main question in their mind was to get a place to lay their heads after they had finished their duties of the day. They would then start out to hunt a place. I had one constituent who came up here last Thursday as a stenographer in the War Department at \$1,200 a year.

Mr. LANGLEY. Under civil service? [Laughter.]

Mr. HOWARD. A civil-service employee. That seems to interest the gentleman from Kentucky very much, because he has so few people in his district who can stand the civil-service examination. [Laughter.]

Mr. LANGLEY. Mr. Chairman, will the gentleman yield?

Mr. HOWARD. He has always been against the civil service on that account. I shall not yield right now, as I have something serious to say.

Mr. LANGLEY. I did not think the gentleman would. I could give the gentleman a poser if he would.

Mr. HOWARD. Very well; I will yield to the gentleman.

Mr. LANGLEY. I want to say to the gentleman that I have not been able to get anybody appointed, because they are Republicans down in my district, although this is supposed to be a nonpartisan administration.

Mr. HOWARD. I knew, of course, that the people of the gentleman's district were dense ignorant, or they would not belong to the Republican Party. Getting back to this most serious question, let us start at the top and work down and see where the abuses have been carried on. As I started to say when I was interrupted by my genial friend from Kentucky, this young lady came up here, and she went out to procure board. She could not get board practically anywhere in Washington. All of the boarding houses were filled. Then she went to seek a room, and she had various and sundry offers made to her. The cheapest room she could get in the city of Washington in a private residence was \$25 a month. They said, "If you do not want it, you need not take it; there will be plenty of people here who will pay it."

I know personally of a person who lives in my district who is paying \$75 a month rent for a house in normal times. That lady has rented three rooms in her house, the three smallest and most inconvenient rooms in the house, and she gets \$10 a month more for the three rooms than she is paying under the lease for the entire house.

Mr. ROSE. Mr. Chairman, will the gentleman yield?

Mr. HOWARD. In just a minute. Let us take the Raleigh Hotel. I had a friend that came here in November, 1916. He brought his wife with him. It happened that he was assigned in 1916 to room 811 in the Raleigh Hotel. At that time, and his bill will show it, he paid \$7 a day for that room. He was up here to spend last week and happened to occupy the identical room, and he paid \$12 a day for it. Here is what is the matter—I do not believe there is going to be any very great necessity for this bill if we will do what we ought to do, and if you do not do it you are going to be hampered in getting the proper clerical force here to conduct this war. The Government of the United States ought to construct some buildings here, temporary in character, and let the bona fide clerks in the departments have those rooms at a nominal cost.

Mr. ROSE. Mr. Chairman, will the gentleman yield?

Mr. HOWARD. And if you do not do it, you are not going to get any help. I yield to the gentleman.

Mr. ROSE. I just want to say, in line with what the gentleman is saying, that a lady from the district I have the honor to represent came here and obtained a position. She found a room in which three other girls were placed, and was required to pay \$1 a night for it.

Mr. HOWARD. I will tell you what the truth is. Any sane clerk who will come to Washington from your district or mine on a hundred-dollar-a-month salary under the present conditions ought to be bored for the hollow horn, because they can not get out on it.

Mr. HARDY. Would it not be a really wiser policy for the Government to expend even \$100,000,000 to house these employees than to go into this scheme of fixing the price of everything?

Mr. HOWARD. I do not know. This thing is dangerous, because I know these injustices are being practiced and people are profiteering.

The CHAIRMAN. The time of the gentleman from Georgia has expired.

Mr. LANGLEY. Mr. Chairman, I ask unanimous consent that the gentleman may have five minutes more, as I desire to ask him a question.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. LANGLEY. Mr. Chairman, will the gentleman yield?

Mr. HOWARD. I thank the gentleman, and I yield to him with pleasure.

Mr. LANGLEY. Does the gentleman mean to say that all Georgians who have come here to Washington and secured jobs at \$100 a month or less ought to be bored for the hollow horn? [Laughter.]

Mr. HOWARD. If they intend to stay under present conditions.

Mr. LANGLEY. My observation has been that every Georgian who comes here stays as long as he can hold his job. [Laughter.]

Mr. HOWARD. Well, we know where we can get in the line—light and be in a congenial climate, and we generally like to come to the Nation's Capital, because here we find a place where culture, refinement, and democracy hold sway. Georgians always seek the best of everything.

Mr. LANGLEY. Will the gentleman permit me to say further that there are hundreds of educated, intelligent people in my district, notwithstanding the gentleman's innuendo a while

ago, who would be glad to come here and get a place at \$100 a month.

Mr. HOWARD. Well, they think they would—

Mr. LANGLEY. And they can not get these appointments.

Mr. HOWARD. They think they would. Now, let me put this proposition to you, gentlemen. They will have to pay \$30 or \$35 or, at the minimum, at least \$25 for a decent room. Now, they have got to eat. All right. Three fried eggs and a fritter will cost \$1 in Washington. Now, if these people do not live like most of the people in the gentleman's district, on huckleberries and blackberries, if they are used to eating meat and bread—

Mr. LANGLEY. I am told that they do not even have huckleberries in Georgia.

Mr. HOWARD. I am talking seriously about this.

Mr. LANGLEY. I am, too.

Mr. HOWARD. I am talking of the cost of living. I will not yield any further.

Mr. LITTLE. Will the gentleman yield?

The CHAIRMAN. The gentleman from Georgia declines to yield.

Mr. HOWARD. If you have a man paying \$40 a month for something to eat, eating around at these eating houses, three meals a day, I suppose he would eat three—

Mr. LANGLEY. Two are a plenty.

Mr. HOWARD. Suppose he eats two, it will cost him \$40 a month, and with \$25 as a minimum for his room, there is \$65 gone. Then you have got to add street car fare and your laundry. These people are obliged to wear clothes here under the law. [Laughter.] Now, where is there anything for a person coming to Washington as a clerk, getting \$1,100 or \$1,200 a year?

Mr. LANGLEY. Will the gentleman yield?

Mr. HOWARD. I wish the gentleman from Kentucky would let me say what little I have got to say to the committee, because I know he has got nothing to ask. [Laughter.] Now, going on a little further about this proposition. These people who are eking out an existence, that are living, are the old crowd that used to be here. Now, this is a pure, unadulterated case of supply and demand. Now, our patriotic friends, worlds of them from all over the country, have come to work for \$1 a year. They are very patriotic, and we all appreciate the valuable services that they are rendering to their country in this extremity. But what have they done? They have gone to these hotels and taken what they call suites of rooms, and then business men who come here go down and they will strike a line at any reputable hotel of from a hundred to 200 on a waiting list for a place to sleep, and hundreds go to Baltimore at night to get hotel accommodations. [Laughter.]

Mr. LINTHICUM. There is where they ought to go. They go to Baltimore because they know where to get the best living.

Mr. HOWARD. Well, I will say to the gentleman that I did not say anything but in reference to hotel accommodations. [Laughter.] Now, that is just the condition. Can you remedy it by this bill?

Mr. REED. Will the gentleman yield for a question for information?

Mr. HOWARD. I will.

Mr. REED. I understand that some of the departments here have been interested in this housing problem and they have organized and they have an office in the Union Station. Did any of the clerks of whom the gentleman speaks avail themselves of that to see whether they could do any better or not?

Mr. ROSE. That is the very place. This lady I spoke about was sent there by that committee.

Mr. REED. I asked for information.

Mr. HOWARD. I was giving the gentleman actual cases which came within my own observation. Now, I know of people from my district who came here on the \$1,100 basis and they caught the next train and went back after examining this question of the cost of living. That is the situation, and how are you going to correct it?

Mr. KNUTSON. Will the gentleman yield?

Mr. HOWARD. In a moment. The only way, in my judgment, gentlemen, that we can correct this evil that exists is to decrease the demand, and to decrease that demand the Government must step in and build buildings of a temporary character where those clerks who come here can get accommodations at a nominal cost. I yield to the gentleman.

Mr. KNUTSON. The gentleman has been observing. What percentage of the people who come here must go to Baltimore?

Mr. HOWARD. Well, I want to say I have never been to Baltimore but once, and that was to attend a political convention. I know I missed a heap [laughter], but I understand it is



a nightly occurrence—for instance, you go to any reputable hotel now and make application for a room the chances are ninety-nine out of a hundred you can not get in—

The CHAIRMAN. The time of the gentleman has again expired.

Mr. HOWARD. And they demand high prices.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Kentucky.

The question was taken, and the Chair announced the ayes seemed to have it.

Mr. TREADWAY. Mr. Chairman, I ask for a division.

Mr. ROBBINS. Mr. Chairman, may we have the amendment read for information?

The CHAIRMAN. Without objection, the amendment will be again reported.

There was no objection.

So the amendment was again reported.

The committee again divided; and there were—ayes 95, noes 5.

So the amendment was agreed to.

Mr. TINKHAM and Mr. LINTHICUM rose.

The CHAIRMAN. The Chair will first recognize the gentleman from Massachusetts, who is a member of the committee.

Mr. TINKHAM. Mr. Chairman, I desire to offer an amendment in the nature of a substitute for section 1 and to give notice that if the substitute is successful, as the succeeding sections now before the House are reached I will move to strike out those sections and add the substitute sections of the substitute bill now offered.

Mr. JOHNSON of Kentucky. I make the general point of order against the substitute and give as a reason that the substitute is not now in order.

The CHAIRMAN. The substitute, as the Chair understands it, is offered for the first section of the bill.

Mr. TINKHAM. It is.

Mr. JOHNSON of Kentucky. Mr. Chairman, I reserve a point of order.

The CHAIRMAN. The gentleman from Kentucky [Mr. JOHNSON] reserves a point of order. The Clerk will report the amendment by way of substitute.

Mr. TINKHAM. Mr. Chairman—

The CHAIRMAN. Let the Clerk report the amendment the gentleman from Massachusetts has offered.

The Clerk read as follows:

Substitute for section 1, offered by Mr. TINKHAM: Strike out after the enacting clause, beginning on line 3, page 1, down to and including line 7, on page 2, and insert in lieu thereof the following:

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 rents of real estate in the District of Columbia during the war. For such purpose the instrumentalities, means, methods, powers, authorities, duties, obligations, and prohibitions hereinafter set forth are created, established, conferred, and prescribed. The President is authorized to make such regulations and to issue such orders as are essential effectively to carry out the provisions of this act.

Mr. TINKHAM. Mr. Chairman, I desire to ask unanimous consent for 30 minutes in which to explain the substitute to the committee.

The CHAIRMAN. The gentleman from Massachusetts asks unanimous consent to proceed for 30 minutes. Is there objection?

Mr. JOHNSON of Kentucky. Mr. Chairman, I will be compelled to object to that. I think the time which the gentleman asks is unreasonable.

Mr. TINKHAM. Mr. Chairman, I move that I be given 30 minutes to explain my substitute.

Mr. TOWNER. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. TOWNER. As I understand, the gentleman has not offered section 1 of his amendment as a substitute for section 1 of the bill. What he proposes is to substitute the entire bill that he offers as a substitute for section 1 and gives notice to strike out the provisions of the existing bill if this amendment is adopted.

The CHAIRMAN. That is correct.

Mr. TOWNER. That is the ordinary course of procedure. So instead of the Clerk reading the first section of the amendment which was offered as a substitute he should read the entire bill offered as a substitute for the first section.

Mr. JOHNSON of Kentucky. The Chair understands that I am reserving a point of order, I hope.

The CHAIRMAN. The gentleman from Kentucky has reserved the point of order. Does the gentleman from Massachusetts desire to debate the point of order?

Mr. TOWNER. Mr. Chairman, there is only one method by which one can offer a substitute for an entire bill, and that is

the method I have stated. After the first section of the bill which is under consideration is read the person who offers a substitute moves to strike out that section and then he offers his entire bill as a substitute for the first section, giving notice that as each succeeding paragraph of the bill under consideration is read he will move to strike those out, and that, of course, makes it unnecessary that the entire bill of the gentleman from Massachusetts [Mr. TINKHAM] be read, because that is a part of his motion to strike out and substitute.

Mr. JOHNSON of Kentucky. I do not object to the matter being read; but I wish to be understood as reserving a point of order.

The CHAIRMAN. Does the gentleman insist on his point of order?

Mr. JOHNSON of Kentucky. Yes; I insist on the point of order.

The CHAIRMAN. The Chair is of the impression, answering the parliamentary question at the same time, that under the rules and precedents of the House the substitute offered by the gentleman from Massachusetts [Mr. TINKHAM] is a substitute to the entire bill and not in order until after the bill has been read. The Chair sustains the point of order.

Mr. TOWNER. A parliamentary inquiry, Mr. Chairman.

The CHAIRMAN. The gentleman will state it.

Mr. TOWNER. Was the point made understood by the Chairman? It was based upon the ground that the bill offered by the gentleman from Massachusetts [Mr. TINKHAM] was not germane to the bill.

Mr. JOHNSON of Kentucky. What I said was that I made the general point of order, pressing for a moment the point that it was not now in order.

Mr. TOWNER. There has been no ruling in reference to the other question.

Mr. JOHNSON of Kentucky. I make the point of order that it is not germane.

Mr. TOWNER. Mr. Chairman, I desire to be heard on that proposition.

The CHAIRMAN. The Chair will state to the gentleman from Iowa, and also to the gentleman from Kentucky, that, as the Chair understood, the gentleman made the point of order and the Chair sustained the point of order. There is nothing pending. The Clerk will read.

The Clerk read as follows:

SEC. 2. That, in addition to other taxes imposed by law, there is hereby levied and shall be assessed, collected, and paid to the District of Columbia an annual tax of 100 per cent upon so much of the income from real estate of every person, whether resident or non-resident of said District, received since December 31.

Mr. TOWNER. Mr. Chairman, I do not think the Chair understood me. I desire to be heard on the point of order.

The CHAIRMAN. The Chair reminds the gentleman that the point of order has been decided.

Mr. TOWNER. I do not think the Chair would desire to rule upon a point of order when gentlemen desire to present their reasons.

The CHAIRMAN. The Chair will state to the gentleman from Iowa that he listened with patience and interest to the gentleman's argument, and the Chair supposed that the gentleman had concluded his argument.

Mr. TOWNER. Of course, I understand that, Mr. Chairman.

The CHAIRMAN. If the gentleman desires to be further heard on the point of order the Chair will do him the courtesy to hear him.

Mr. TOWNER. That is the proposition. Let me state this to the Chair: The Chair has passed upon the proposition as to the germaneness of this substitute—

The CHAIRMAN. Will the gentleman permit the Chair to make a suggestion? No point was made that the amendment was not germane. The Chair did not decide that question and has not made any announcement whatever in reference to it.

Mr. TOWNER. What is the point, then?

The CHAIRMAN. The point of order made was that it was not in order at this particular stage of the proceeding to offer as a substitute for the section read a section of another bill, announcing at the time that the purpose of the gentleman who moved the substitute was, as each paragraph was read, to offer as a substitute a corresponding paragraph or section of the other bill.

Mr. TOWNER. That is exactly the point I was trying to make, Mr. Chairman.

The CHAIRMAN. The Chair will hear the gentleman.

Mr. TOWNER. This is the proposition, because the gentleman from Massachusetts [Mr. TINKHAM] stated to me his purpose to offer the first section of his bill as a substitute for the first section of the pending bill, but the Clerk stopped reading.

What he intended to do was to offer as a substitute for the first section of the pending bill his entire bill, and therefore I suggested to the Chair that it was the duty of the Clerk to go on and read the entire bill offered by the gentleman as a substitute.

I still think that is the duty of the Chair to do. Of course, I think we came to this misunderstanding perhaps through no fault of our own; but now, in order that the gentleman from Massachusetts may not be deprived of his rights or that none of us may violate the precedents of the House, I ask that the Chair direct the Clerk to read the succeeding section of the bill which was offered by the gentleman from Massachusetts as a substitute for the first section of the pending bill. He gives notice that at each succeeding section of the bill, if his substitute is adopted, he will move to strike out, and that is in accordance with the universally accepted method adopted by the House. I think the gentleman from Massachusetts is entitled to that.

Mr. JOHNSON of Kentucky. Even that which the gentleman has offered as a substitute for the first section of the bill is not germane.

Mr. TOWNER. We will meet that when we come to it, because the substitute has not been read.

Mr. JOHNSON of Kentucky. Out of abundant caution, Mr. Chairman, I repeat, I make the point of order on the germaneness, regardless of the time when it will be offered.

The CHAIRMAN. The Chair will hear gentlemen on that.

Mr. TILSON. Mr. Chairman, in the interest of orderly procedure in this House—and I care nothing about the amendment or either of the bills—it seems to me important that we should not, by a ruling made on a misunderstanding, make a precedent here which will return to plague us hereafter. It is, as the gentleman from Iowa [Mr. TOWNER] has clearly stated, the recognized procedure in this House that after one section of a bill has been read another bill may be moved as an amendment to that section, if germane. The question of germaneness has not been raised. Such a bill was presented as an amendment. Through a misunderstanding on the part of the gentleman from Massachusetts [Mr. TINKHAM] it perhaps was not clearly stated that it was intended as an amendment to the first section. It was so stated by the gentleman from Iowa [Mr. TOWNER], accepted by the gentleman from Massachusetts, and, as I understand it, was finally submitted by the Chair as a substitute for the first section, giving notice in the usual way that the usual motion would be made to strike out the succeeding sections of the bill as they were read.

Now, it seems to me that upon that state of facts, the point of order not having been made as to the germaneness, this amendment should be in order, and the entire bill should be read as an amendment to the first section of the pending bill.

Mr. JOHNSON of Kentucky. The gentleman understands that I am reserving a point of order on that?

Mr. TILSON. I understand the point of order as to germaneness has been reserved and will be made later. I understand the precedents to be that a bill may be offered as a substitute for the first section of a pending bill, giving notice that the subsequent sections of the bill will be stricken out when reached if the amendment is agreed to. It seems to me that it is a matter of some importance in the procedure of this House and ought not to be hastily passed upon, especially under a misunderstanding.

Mr. MAPES. Unless the Chair has seen the precedents, I want to direct his attention to the statement in the Manual. On page 358, about half way down the page, there the Chair will find this statement:

When it is proposed to offer a single substitute for several paragraphs of a bill which is being considered by paragraphs, a substitute may be moved to the first paragraph, with notice that, if agreed to, motions will be made to strike out the remaining paragraphs.

As I understand it, that is the parliamentary procedure and the practice of the House. That has been done on several occasions in the last three or four years to my knowledge.

Mr. TINKHAM. Mr. Chairman, that is exactly what I did originally.

Mr. MAPES. Without any reference to the merits of the bill proposed by the gentleman from Massachusetts, I think he is entirely in order in offering it as a substitute at this place. He gave notice that if the substitute was adopted he would move to strike out the other paragraphs of the bill as they are reached. That seems to me to be the proper procedure.

Mr. TOWNER. That has been done several times in the last few years, notably in the case of the Philippine bill.

Mr. JOHNSON of Kentucky. Mr. Chairman, I believe I can solve the problem by saying that enough had been read to show that it was not germane. I think I can show the Chair in a second that it is not germane.

The CHAIRMAN. Does the gentleman from Kentucky make the point of order now?

Mr. JOHNSON of Kentucky. I make it now.

The CHAIRMAN. Does the gentleman from Iowa desire to be heard?

Mr. TOWNER. I do not want to interrupt the gentleman, but—

Mr. JOHNSON of Kentucky. I will ask the Chair to take the bill and follow me in the reading of the first section.

Mr. TILSON. Will not the Chair dispose of the other matter first, because it is more important than either of the amendments? The Chair would do well to dispose of one question and then take up the other.

The CHAIRMAN. The Chair is ready to rule, and if gentlemen have concluded their arguments, the Chair will rule; the Chair will first make the statement that he is not alarmed at the suggestion that his ruling may impair the orderly procedure of the House in the future. The gentleman from Massachusetts offered the first section of the bill which he sent to the desk as a substitute for the first section of the bill under consideration.

Mr. TINKHAM. I offered the whole bill as a substitute, and then as a substitute for the first section I offered the first section of my bill, and then gave notice that as each succeeding section was read I would move the substitution of sections of my bill. But I offered the bill as a whole as a substitute.

The CHAIRMAN. The Chair did not understand the gentleman as he now explains his purpose; but if he had, the ruling would have been the same, because the Chair does not believe that under the precedents of the House this is the proper and orderly way to get the substitute before the House.

Mr. DOWELL. Mr. Chairman, may I read a paragraph?

The CHAIRMAN. The Chair will hear the gentleman briefly.

Mr. DOWELL. On page 358 of the manual I read the following:

When it is proposed to offer a single substitute for several paragraphs of a bill which is being considered by paragraphs, the substitute may be moved to the first paragraph, with notice that, if agreed to, motions will be made to strike out the remaining paragraphs.

As I understand it that is the proposition of the gentleman from Massachusetts [Mr. TINKHAM], to offer this as a substitute for the first section and then give notice as provided by the manual that he will move to strike out the other paragraphs.

Mr. TINKHAM. That is correct, Mr. Chairman.

Mr. COOPER of Wisconsin. Mr. Chairman, I understood the gentleman from Massachusetts [Mr. TINKHAM] to say that he offered the first section of his bill as a substitute for the first paragraph of the pending bill.

Mr. JOHNSON of Kentucky. That is what he did.

Mr. COOPER of Wisconsin. That is exactly what he did, and then said that as the other pending sections of the bill were reached he would move to strike out those sections and substitute the corresponding sections of his own bill, but this was not in accord with the precedents. For the language on page 358 of the manual reads in this way:

When it is proposed to offer a single substitute for all of the paragraphs of a pending bill . . . it may be offered to the first paragraph, with notice that, if agreed to, motions will be made to strike out the remaining paragraphs.

But the gentleman from Massachusetts did not "offer a single substitute for all the paragraphs of the pending bill." He offered to substitute the first paragraph of a new bill for the corresponding paragraph of the pending bill. Therefore the gentleman from Massachusetts [Mr. TINKHAM] made his motion in a way not in accordance with that precedent, and I think the ruling of the Chair was correct.

Mr. MONDELL. Mr. Chairman, I think the situation grows entirely out of a misunderstanding. The gentleman from Massachusetts [Mr. TINKHAM] undoubtedly intended to offer his entire bill as a substitute for the pending bill, and he offered it at the proper time and place; but I think the Chair is correct that the gentleman did not offer it exactly as he intended. It seems to me that this matter can all be straightened out by now allowing the gentleman from Massachusetts [Mr. TINKHAM] to offer his amendment as a substitute for the entire bill and have it read. I am sure there is no disposition on the part of anyone to take a technical advantage. The gentleman from Kentucky [Mr. JOHNSON] can meanwhile reserve his point of order.

Mr. TILSON. That would clear it up.

Mr. MONDELL. And if the Chair will allow me, I will ask unanimous consent that the gentleman from Massachusetts [Mr. TINKHAM] be allowed to present his bill now as after the reading of the first section, as a substitute for the entire bill, to be read as such, the gentleman from Kentucky reserving all points of order.



The CHAIRMAN (Mr. RUCKER). Before submitting the gentleman's request for unanimous consent, the Chair will again rule on the point of order which was made when the substitute was offered. The Chair does not believe the substitute was offered at the proper time. The Chair thinks the House is entitled to know what is in the bill being considered by the House, and that the bill must be read before a substitute for the entire bill is in order. The Chair adheres to that ruling and now submits the request of the gentleman from Wyoming [Mr. MONDELL] for unanimous consent that the gentleman from Massachusetts [Mr. TINKHAM] be permitted to offer at this time his substitute for the entire bill and have the substitute read, all points of order being reserved to the substitute. Is there objection to the request?

Mr. JOHNSON of Kentucky. Reserving the right to object, certainly nobody ought to ask me to agree that a substitute which I contend is not germane shall be offered. I do not want it considered at all, and I am reserving the point of order that it is not germane.

Mr. MONDELL. The question whether the amendment is germane can not be determined until the amendment shall have been read. The gentleman from Kentucky personally may have read it privately, of course.

The CHAIRMAN. Is there objection to the request of the gentleman from Wyoming?

Mr. BORLAND. Reserving the right to object, I call the attention of the gentleman from Wyoming [Mr. MONDELL] to the fact that it can not be read until it is properly offered and until it is in order under the ruling of the Chair.

Mr. MONDELL. I ask unanimous consent, then, that it may be offered.

Mr. BORLAND. Then the gentleman admits that it can not be read, of course, until it is offered in the proper time and in the proper way.

The CHAIRMAN. Is there objection?

Mr. JOHNSON of Kentucky. Reserving the right to object, I have no objection to the proposed substitute being read for information only, if that will serve any purpose. Otherwise I shall object.

Mr. MONDELL. The gentleman reserves all points of order. Mr. JOHNSON of Kentucky. Yes; I think I have got all points of order pretty well reserved.

Mr. MONDELL. The point of order that it is not germane or not offered at the proper place?

Mr. JOHNSON of Kentucky. Mr. Chairman, I shall be compelled to object to anything except that the substitute be read for information.

The CHAIRMAN. The gentleman objects. The Clerk will read.

The Clerk read as follows:

SEC. 2. That, in addition to other taxes imposed by law, there is hereby levied and shall be assessed, collected, and paid to the District of Columbia an annual tax of 100 per cent upon so much of the income from real estate of every person, whether resident or nonresident of said District, received since December 31, 1916, as exceeds the deductions herein allowed. For the purpose of ascertaining the amount of income subject to said tax, there shall be deducted from the gross income reported as herein provided so much thereof as equals the average amount charged for the use and occupancy of the same property for the same or a corresponding number of days, weeks, months, year, or 18 months, or for any part of any of such periods of time, in, of, or during the 18 months immediately preceding September 30, 1916, plus 10 per cent thereof additional except in cases where the property was rented or leased "furnished" during the period before September 30, 1916, entering into the computation, and is rented "unfurnished" during the taxable period, in which cases the said additional deduction shall not be allowed.

If no such income was charged or received during said period of 18 months, then the deduction from such gross income shall be an amount equal to 10 per cent of the value of the property producing the income, including furniture, if any, as determined by the assessor of the District of Columbia.

In cases where the property was rented "unfurnished" for the period before September 30, 1916, used in the said computation, and is rented "furnished" during the taxable period, then the additional deduction from such gross income shall be increased to 15 per cent.

If the real estate producing the income has been materially improved since September 30, 1916, there shall be an additional deduction from such gross income of an amount equal to 10 per cent of the actual cost of such improvements: *Provided*, That no such deduction shall be allowed for the cost of repairs made necessary or desirable by the ordinary wear and tear of rented or leased property.

No other exemption or deduction from such gross income shall be allowed. It is the intent and purpose of this act to tax at the rate herein fixed so much of every income from real estate as exceeds the deductions specifically authorized by this section.

Mr. MAPES rose and was recognized by the Chairman.

Mr. JOHNSON of Kentucky. I wish to suggest to the gentleman from Michigan that the committee amendment be voted on before he offers his amendment.

Mr. MAPES. Yes.

Mr. JOHNSON of Kentucky. On page 2, line 13.

The CHAIRMAN. The Clerk will report the committee amendment.

The Clerk read as follows:

Page 2, line 13, after the word "received," strike out the word "since" and insert the words "from and after."

The committee amendment was agreed to.

Mr. MAPES. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The gentleman from Michigan offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. MAPES: Page 2, lines 13 and 14, after the word "after," strike out the words "December 31, 1916," and insert "April 1, 1918."

Mr. JOHNSON of Kentucky. Mr. Chairman—

The CHAIRMAN. Does the gentleman from Michigan desire recognition at this time?

Mr. MAPES. I yield to the gentleman from Kentucky, chairman of the committee.

Mr. JOHNSON of Kentucky. Mr. Chairman, in connection with this amendment I wish to say that I shall neither advocate its adoption nor shall I object to it. The gentleman from Michigan [Mr. MAPES] is just as much opposed to profiteering in the District of Columbia or elsewhere as I am. His amendment is prompted by no motive except to further the passage of the bill. For that reason I am not going to interpose any objection to the adoption of the amendment.

The CHAIRMAN. The question is on the amendment of the gentleman from Michigan.

Mr. BORLAND. I rise to oppose the amendment.

Mr. MAPES. Mr. Chairman, if there is any opposition to it, I should like to be heard.

The CHAIRMAN. The gentleman from Michigan will be recognized first.

Mr. MAPES. Mr. Chairman and members of the committee, it seems to me that this amendment, if adopted, would do away with a great deal of the objection to the bill. It would do away with all the retroactive features of the bill and would leave for the judgment of the committee the single question of what is a proper rent to be charged for the property within the District of Columbia. The bill allows an increase of 10 per cent over a certain prewar period. If this amendment should be adopted, the bill would become effective, or the rentals fixed by the bill would become effective April 1 of this year. That would give everybody notice, and it would not penalize anybody. It would put down the rent to the place which the committee thinks is a reasonable and proper place. It seems to me in all fairness that the amendment ought to be adopted. It would also do away with the objection on the part of the owners of real estate that the bill places a lien on the real estate of the owner for the profiteering of the tenant. The landlords can take care of the future in their leases.

Mr. CANNON. Will the gentleman yield?

Mr. MAPES. I will.

Mr. CANNON. The gentleman's amendment fixes the date of April 1, 1918, but does it hark back to another portion of the bill? Will it mean advance in rent from 1918 or hark back to rents as they were in 1916? I am speaking about the increase.

Mr. MAPES. If I understand the gentleman's question, my answer is that the bill, if my amendment is adopted, would give the owner of the property the right to charge 10 per cent more than he charged during the prewar period, but it would not penalize him for what he received before the passage of the bill.

Mr. CANNON. That answers my question.

Mr. MAPES. A great many owners of real estate have rented their places in good faith. Whenever we have passed price-fixing legislation heretofore we have not attempted to make it retroactive. We have fixed the price of wheat; we have passed a bill authorizing the fixing of the price of coal and the price of sugar. We did not attempt to make that legislation retroactive. I think, Mr. Chairman, that my amendment should be adopted.

Mr. BORLAND. Will the gentleman let me ask him a question?

Mr. MAPES. Certainly.

Mr. BORLAND. Suppose that after December 31, 1916, and prior to April 1, 1918, the owner of real estate in the District of Columbia has made a lease of two, three, or five years, at a rental price higher than the prewar period. What would be the effect of the gentleman's amendment on the terms of that lease?

Mr. MAPES. In a subsequent section of the bill, section 6, provision is made for leases made before October 1, 1916.

Mr. BORLAND. Yes; before October 1, 1916; but I am asking about December 31, 1917, and subsequent to 1916, the period at which you fix the date in the original bill. Suppose a man made a lease yesterday for three years, at a higher rate than the prewar period, what would be the effect of your amendment? Could you take any part of his property without due process of law?

Mr. DEMPSEY. Section 5 deals with that proposition.

Mr. MAPES. The gentleman's question would apply to the bill in its original form as well as with the amendment. After the 1st of April of this year, if the amendment which I propose is adopted, the owners of real estate will only be allowed to collect 10 per cent more than they charged during the prewar period.

Mr. BORLAND. Let us see about section 5. That is not the tax inspection; it says that all contracts in excess of a certain rate are declared to be against public policy and void. I take it the construction of that would be that it applied to the future, and that no court would put an ex post facto construction on it.

Mr. MAPES. The language of the bill does not attempt to do that. I did not make reference to that section in answer to the gentleman's question.

Mr. JOHNSON of Kentucky. If the gentleman from Missouri will yield, I will suggest that the constitutional provision relating to ex post facto laws relates only to criminal matters.

Mr. BORLAND. Of course; but to take property that has already been acquired without due process of law is unconstitutional.

Mr. COOPER of Wisconsin. Will the gentleman yield?

Mr. BORLAND. Yes.

Mr. COOPER of Wisconsin. There is a provision of the Constitution which, of course, the gentleman is thoroughly familiar with, that no State can enact any law impairing the obligation of contracts; but, of course, that does not apply to the District.

Mr. BORLAND. Mr. Chairman, I do not know that I have any strenuous opposition to the amendment offered by the gentleman from Michigan. It simply makes the bill prospective instead of retrospective. My idea was that the whole constitutionality of the bill depends on the taxing power, the right to take property in the form of income tax. If the bill does not rest on that it would be difficult to say upon what principle it does rest. If it rests upon the taxing power, the question of retrospective operations is not so important as it would be upon any other constitutional power. I do not assume, because I have not studied the question, whether the tax theory is well grounded or not; I am going to leave that to the decision of other gentlemen who have examined it carefully. That is what I understand is the basis of the bill. If that is the basis of the bill and it be sound, the retrospective operation of the bill has nothing to do with it.

What is the practical effect of it? The practical effect is to leave out the period in which the greatest profiteering has been done.

Mr. DEMPSEY. Will the gentleman yield?

Mr. BORLAND. Yes.

Mr. DEMPSEY. If the bill is founded on the basis that the gentleman suggests, will he tell me upon what basis you could sustain the provision in section 5, which will entitle a person who pays an excess to recover it? The taxing power can not be exercised by the Government in favor of individuals, but only in favor of the Government itself.

Mr. BORLAND. I am going to refer the gentleman to the gentleman from Kentucky. That section it appears to me to relate to the contract between the parties.

Here is what I want to call attention to in this connection. The greatest profiteering was done after the 1st of April, 1917. It was the war period. We brought these people here. We brought 30,000 employees here for the Government, and we brought fully as many more for the independent activities—these war committees.

Mr. MAPES. Of course, the gentleman does not contend that profiteering would not continue unless we take some action, and that we are bringing, according to the estimates, 20,000 additional employees this year into the District.

Mr. BORLAND. Yes. Unfortunately it will continue unless some action is taken, and I am going to vote for the bill in the hope that it will accomplish the result. We ought not to have brought so many people here. That is perfectly manifest to my mind. I think we are doing a great injustice to the people themselves, and we are doing a great injustice to the taxpayers of the country in bringing a whole lot of people here.

Mr. KEARNS. Mr. Chairman, will the gentleman yield?

Mr. BORLAND. In just a minute.

Mr. KEARNS. I would like the gentleman to suggest a plan of eliminating the bringing of so many people here.

Mr. BORLAND. I am going to suggest that if we would make the employees that we already have work a full day's work that would tend to do it, and on that I hope I have the concurrence of the gentleman from Ohio.

Mr. KEARNS. That is the answer I wanted to get.

Mr. BORLAND. Then I am happy to believe that the gentleman will vote for that remedy. If we make these clerks here work a full day's work, we would bring fewer of them here, and if we brought fewer of them here there would be less opportunity for these real estate owners to gouge them and to gouge us, and to gouge the business men who come here to consult these subcommittees of the Council of National Defense, and to gouge everybody else who has to do business in Washington. We ought to reduce the congestion in Washington as much as we can. This is only one phase. We ought not to bring people here to work seven hours a day, and we ought not to permit those who are here in the Government employ to work only seven hours a day. As long as we have anyone here working seven hours a day, we ought not to go out into the country and hire any more to come here to Washington to work for seven hours a day or any other kind of a day. We ought to use those that we have here to a reasonable business efficiency. There is not the slightest danger that Uncle Sam is going to use them to an unreasonable amount of efficiency. Nobody ever heard of Uncle Sam getting the best of any proposition. He never does. Lots of gentlemen seem to fear, even on the floor of this House, that Uncle Sam is going to get the best of some proposition.

The CHAIRMAN. The time of the gentleman from Missouri has expired.

Mr. BORLAND. Mr. Chairman, I ask unanimous consent to proceed for two minutes more.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. BORLAND. No one need fear that Uncle Sam is going to get the best of it, that he is going to get any more work than is coming to him, or that he is going to get the long end of any bargain. In fact, it is our duty to see to it that he gets as near a square deal as possible, but we can not always do that. My experience is that we never can assure the Government of an absolutely square deal in its dealings with individuals, and I know that we have never been able to get Uncle Sam a square deal in regard to his dealings with Washington people.

Here is another item to which I wish to direct attention. The more people we bring here to do a given amount of work the more housing we must provide for them for their work; that is, office housing. We are confronted with that situation, and they are now renting all kinds of buildings here at all kinds of prices for these temporary offices that we must have. We are compelled to build a large amount of temporary structures in the District to house these clerks. What for? To do the Government's business in an exceptionally short day's work and allow the buildings to be empty the rest of the time. You have to heat and light them and do all that sort of thing. There is one of the places where I think we can bring about a reduction of the congestion in Washington—require a fair day's work.

Mr. LINTHICUM. Mr. Chairman, the gentleman from Georgia [Mr. HOWARD] has suggested that the best way to solve the rent problem and to prevent high prices and profiteering is to reduce the demand for houses and rooms.

The gentleman from Missouri [Mr. BORLAND], under his favorite topic, the eight-hour law, has suggested a remedy by increasing the day to eight hours and thereby lessening the number of employees.

I suggest in all seriousness that the best method of solving the rent problem in Washington is to arrange that the employees of the Government may find homes in the city of Baltimore. This can be accomplished by having a train or trains provided by the Director of Railways to run at the proper time from Washington to Baltimore and from Baltimore to Washington, so that the employees might be brought to their work in the morning in time and returned to their homes in the evening at the proper time.

By doing this they can go from Baltimore to Washington by the train service just as quickly as they can come from the outlying sections of Washington by the trolley service. It will relieve the congestion in Washington, will distribute the employees in another city, and the rent problem will solve itself by lessening the demand for rooms and houses.

The fare on the railroads will be \$16.69 per month, including the war tax, and on the electric railroad \$12.96 per month, including the war tax. The latter road, however, takes half an hour longer to reach Washington.

The living expense in the city of Baltimore is at least from 10 to 15 per cent cheaper than it is in the city of Washington and lots of homes and rooms are equally that much lower.



Baltimore provides, perhaps, the best living, or at least as good a living, as any city in the Union.

Our city has continued its great market system, by which the retail markets are used by the population instead of calling up by telephone and ordering from some store at a high rate. The farmers bring their produce to the market and sell to the consumer direct. The butchers slaughter much of their meat and offer it in these large markets. And so it is with all the other necessities of life. You are not only able to secure your selection, but you are able to get it much cheaper by reason of the competition among all classes of market people. The truth is one can not only save their railroad fare but considerable more.

In fact, I am quite sure that a family would save far in excess of the railroad fare by dealing with these open markets in the city.

We have a great many homes where they would take in Government employees as members of the family, providing them good accommodations and all the comforts of home. Our hotels are not as expensive, but are just as luxurious and good as those of any city in the Union. In fact, we have just opened a new hotel which is second to but few in the land.

We have a city of 700,000 and can take care of all the excess employees from the city of Washington. You talk about spending fifty to one hundred millions of dollars to build homes in the city of Washington for these thousands of employees who are yet to come. Yet, gentlemen, you could operate a splendid train from Baltimore to Washington and back again, furnishing absolutely free transportation, and save money, rather than make this great expenditure for buildings.

These are Government employees and the railroads are now operated under Government control. Why not operate the train or trains at cost for these employees, taking them back and forth to the Monumental City?

I offer you this proposition in all seriousness as a certain method of reducing prices and profiteering in this city. I offer it as the answer to the high cost of living in Washington. I challenge any city in the country to produce cheaper market facilities and better housing facilities than the city of Baltimore.

Further, its vast farming sections furnish us with fresh vegetables and other farm products. From the great Chesapeake we procure oysters, fish, and crabs the best in this land—and all this within 45 minutes of the Capital City of the country.

This would not only be a great benefit to our metropolis, but it would be a great benefit to the Government at large and to the city of Washington; in fact, it would save the expense of building homes, which must necessarily come unless some method such as this is adopted.

Baltimore is one of the best-policed cities in the land. It has a school system second to none in this country. I say this because I know many cities in our land have splendid school systems. It has great public libraries, circulating libraries, moving-picture theaters, great theaters; in fact, everything which a great metropolis of 700,000 souls will need.

The truth is Washington and Baltimore have never joined hands in business or population as they should. They should be closer in business and social matters. They are practically one in that villages extend almost from one city to the other.

There is a magnificent highway provided by the State of Maryland by which a fast-moving automobile can make the trip from one city to the other in 1 hour and 30 minutes. What we want is a closer alliance between these two great cities—one helping the other in business and the other in population and housing facilities.

I make this suggestion because I do not think there is any doubt but that it can be adopted by the Government and save from fifty to one hundred millions of dollars. I believe the people in Baltimore will be well satisfied and that the Government employees will live better than they could anywhere else.

The sole question which needs to be solved is the question of railroad transportation. If the Government will guarantee a train or trains at the required hours it will be just as convenient and just as well to live in Baltimore and do business as it is to live in Washington.

We have to-day several hundred commuters who make the trip from Baltimore to Washington. They take their morning paper when they leave Baltimore or their cigar as the case may be, and by the time the cigar or paper is finished, they are pulling in at Union Station, Washington. Every man reads, or should read, a morning paper, and should read it before he goes to business. He should not, as I have seen many Government clerks, read it during office hours. The commuter will find the time during his ride from Baltimore to Washington to do this. He will enter his office better informed after the pleasant journey and thoroughly equipped to do work.

I know three gentlemen who conduct one of the largest business interests in Washington who have commuted for the last 25 years, and they say that they propose to do so as long as they live or continue to do business.

I do hope that this suggestion will not fall upon idle ears, but that it may bear fruit and many more Government employees find a comfortable, cheap, and convenient home in our great metropolis.

Mr. BORLAND rose.

Mr. LINTHICUM. Oh, let me finish first.

Mr. BORLAND. I do not want to break in on the gentleman's argument.

Mr. LITTLE. Will the gentleman yield?

Mr. LINTHICUM. I promised to yield to the gentleman from Missouri.

Mr. BORLAND. I was just going to ask my friend from Maryland whether he believed it was wise to tax the people of the United States to build housing facilities in the city of Washington for these congested employees?

Mr. LINTHICUM. There is not the slightest necessity of building any houses in the city of Washington if you will give the trains to Baltimore which will put the people here as quickly as you would from the outskirts of the city of Washington.

Mr. BORLAND. If the gentleman had the National Capital in the city of Baltimore I take it his enterprising citizens would take care of all the people who would want to come there?

Mr. LINTHICUM. We would endeavor to do so, and we would make a strong struggle in that direction.

Mr. LITTLE. Will the gentleman just state the amount of car fare between this city and Baltimore, so as to make his statement complete?

Mr. LINTHICUM. The monthly ticket is \$16.69, including the tax. That is on the railroad. On the electric line it is \$12.96, including war tax.

Mr. LITTLE. Twelve dollars and ninety-six cents a month?

Mr. LINTHICUM. A month. It is about 50 cents a round trip on the railroad and slightly over 40 cents on the electric road.

Mr. MADDEN. Will the gentleman yield?

Mr. LINTHICUM. I will.

Mr. MADDEN. I suppose everybody would live in the depot after they got to Baltimore; they would have no car fare to pay—

Mr. LINTHICUM. Oh, I am not saying they would not have to pay car fare if they lived far enough out, but if they lived close to the center of the city they would not, as the electric line runs to the center of the city; besides, the Pennsylvania Railroad stops at two places in the residential sections, and the Baltimore & Ohio runs to Mount Royal Station, right in the center of the residences. Mr. Chairman, I say the Government need not go to the expenditure of great sums of money to build buildings. They can establish this train system, and have people coming from Baltimore here—coming from a city where they can get a good living and will not be so crowded and so many contained in one section.

The CHAIRMAN. The time of the gentleman has expired.

The question is on the motion to amend offered by the gentleman from Michigan.

The question was taken, and the amendment was agreed to.

Mr. JOHNSON of Kentucky. Before the Clerk begins to read I wish to ask the gentleman from Michigan if he has another amendment to offer.

Mr. MAPES. Mr. Chairman, the gentleman from Kentucky has suggested an amendment—

Mr. JOHNSON of Kentucky. Which I think will do very well to go along with the amendment just adopted, offered by the gentleman from Michigan. I suggest that it be read for information at least.

Mr. MAPES. I have not had a chance to compare it carefully, but I will send it up.

Mr. JOHNSON of Kentucky. Or I will offer the amendment.

The CHAIRMAN. Does the gentleman from Michigan offer the amendment?

Mr. MAPES. Yes; I offer the amendment.

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

Strike out the words "eighteen months" wherever they appear in section 2 and insert in lieu thereof "twelve months."

Mr. STAFFORD. Will whoever has the floor permit a question? Does the gentleman wish to substitute "12 months"—

Mr. MAPES. Where is that?

Mr. STAFFORD (continuing). "Twelve months"—when in line 20 you have the word "year" preceding "18 months." It

is virtually the same. Is it necessary to insert "12 months" when you have the word "year" preceding the "18 months"? I direct the attention of the chairman of the committee to line 20, page 2. The present phraseology is "number of days, weeks, months, year, or 18 months." The amendment proposed strikes out "18" and inserts "12" months. That is a mere duplication. I would suggest striking out "18 months" and inserting the word "or" before the word "year."

Mr. MAPES. I think the gentleman is correct.

Mr. STAFFORD. I ask that the amendment submitted by the gentleman from Michigan may be modified as suggested.

The CHAIRMAN. The gentleman from Wisconsin asks unanimous consent for the modification of the amendment offered by the gentleman from Michigan. Will the gentleman suggest the modification?

Mr. MAPES. Mr. Chairman, with the consent of the committee, I withdraw the amendment.

The CHAIRMAN. Without objection, the gentleman withdraws the amendment offered.

There was no objection.

Mr. JOHNSON of Kentucky. Mr. Chairman, I desire to offer the following amendment.

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

Strike out all of lines 5 to 10, inclusive, page 3, and insert in lieu thereof the following:

"If no such income was charged or received during such period of 18 months, then the deduction from such gross income of each taxable year shall be an amount equal to 10 per cent of the value of the property, including furniture, if any, producing the income as determined by the assessor of the District of Columbia for the purposes of this act and at the same rate for any greater or less period of time: *Provided, however,* That in cases of such last-named property where the landlord furnishes heat, light, or elevator service an additional deduction of an amount equal to the actual cost to the landlord of the heat, light, and elevator service so furnished shall be allowed."

Mr. STAFFORD. Mr. Chairman, I would like to inquire of the chairman of the committee on what is predicated the period of 18 months which runs through the bill. Why was that specific period determined in addition to days, weeks, months, or a year?

Mr. JOHNSON of Kentucky. When the language "daily, weekly, monthly, or yearly" is used it is used to bring in the hotels that lease their rooms for only a day, or other people who lease for a short term, say, a week.

Mr. STAFFORD. I conclude that the gentleman did not grasp the purpose of my query. I am trying to ascertain what is the reason for specifying 18 months as a period in addition to "years, months, weeks, and days"?

Mr. JOHNSON of Kentucky. As I said, the retroactive part of it originally reached back 18 months, as compared with 18 months of previous time.

Mr. STAFFORD. Having stricken the retroactive part of it out, by the adoption of the amendment offered by the gentleman from Michigan [Mr. MAPES], is the 18-months' period any longer applicable?

Mr. JOHNSON of Kentucky. I have been advising all the forenoon with the gentleman from Michigan [Mr. MAPES] about it, and he is still of the opinion that it is not necessary to change that. But I prefer that the gentleman speak for himself.

Mr. ROBBINS. Will the gentleman yield? I think I have an idea that that 18 months period was put in for this reason: In most of the cities the rental year ends on the 1st day of April. If you take April 1 to October, the end of the year in the District of Columbia, would be six months. So, if you are calculating a lease, as I happened to be when I came here, the ending of the lease in Pennsylvania being April 1 and the end of the year in the District of Columbia being October 1, six months later, I wanted to rent an apartment for that length of time—18 months. And that probably explains the attitude that was taken here in fixing the unusual period of time of 18 months in addition to the annual period that is generally fixed in leases.

Mr. JOHNSON of Kentucky. That is hardly the idea. The bill as originally drafted levied a retroactive tax upon the next preceding 18 months, and compared it to the 18 months previous to that, for the prewar period. But the gentleman from Michigan has gone over this thoroughly; in fact, he and I have been going over it for the last two weeks, and I have yielded to his judgment in the matter.

Mr. MAPES. Will the gentleman yield?

Mr. STAFFORD. I yield to the gentleman from Michigan to explain this 18-month period.

Mr. MAPES. My idea is that the 18 months part of this section only determines the basis for the rent to be charged and fixes the amount to be charged prior to September 30, 1916, and giving the class of property within the District after this

bill goes into effect the right to charge in addition 10 per cent of that amount after April 1. And that is the only purpose of the section now, and it does not seem to me to make any difference whether it is 18 months or a year.

Mr. JOHNSON of Kentucky. Just as I have said, I have deferred in this particular matter to the judgment of the gentleman from Michigan. His amendment effected that, and I have left everything affecting it to his judgment.

Mr. CRAMTON. May I ask a question of the gentleman from Kentucky for information?

Mr. JOHNSON of Kentucky. If it relates to that question, I would prefer that it be asked of the gentleman from Michigan [Mr. MAPES].

Mr. CRAMTON. I think it does not. It is as to the construction of the language in the bill.

Mr. JOHNSON of Kentucky. Where is the gentleman reading now?

Mr. CRAMTON. On page 3, the provision that a deduction—

Mr. JOHNSON of Kentucky. Where on page 3?

Mr. CRAMTON. Lines 11 to 16.

Mr. JOHNSON of Kentucky. We have not reached that yet?

Mr. CRAMTON. Then I will wait.

Mr. FRENCH. Mr. Chairman—

The CHAIRMAN. The gentleman from Idaho [Mr. FRENCH] is recognized.

Mr. FRENCH. Will the gentleman yield just a moment, to have him explain whether or not the amendment he has offered changes the language of the section to which it has been offered so as to provide any greater income for furniture in a house that may be rented than 10 per cent?

Mr. JOHNSON of Kentucky. There are two purposes sought in that amendment that I have just offered. One is that instead of making a deduction of 10 per cent, making it at the rate of 10 per cent. And then the other is where service goes with an apartment or room it is to allow compensation for that at the actual cost of the service.

Mr. FRENCH. Then I would like five minutes in my own right in order to speak on that subject briefly.

The CHAIRMAN. The gentleman from Idaho is recognized.

Mr. FRENCH. It seems to me we ought to provide that a larger amount than 10 per cent be exempted for the householder on furniture.

Mr. JOHNSON of Kentucky. I will say to the gentleman that there is a provision at another place in the bill that where a house is rented furnished 17 per cent is allowed.

Mr. FRENCH. Yes; I am aware of that. That occurs in the following section. But here is a condition that is not met by the following section: This condition is met, as is indicated in the first line, by saying that if no income was charged during the period of 18 months, then the householder upon leasing may still only charge 10 per cent of the value of the property plus 10 per cent for the furniture.

Mr. JOHNSON of Kentucky. This relates solely to new property.

Mr. FRENCH. Let me call attention to this feature: It seems to me you discourage the householder from furnishing a house for renting purposes or renting a house furnished.

Mr. JOHNSON of Kentucky. I admit it does discourage the householder from renting unless he be willing to rent at exorbitant prices.

Mr. FRENCH. Now, let us see. I think 10 per cent is not what the householder is entitled to have on his furniture, and I have no brief for the householder, either.

Mr. JOHNSON of Kentucky. Is the gentleman now discussing the language of that bill or the amendment I have offered?

Mr. FRENCH. I understand the language in the amendment does not modify the language in the bill in that regard, and what I want to do is to ask the attention of the committee to my idea that 10 per cent is altogether too low. Here comes a man to Washington to work in a department. Suppose just his wife is with him. Probably three or four rooms would accommodate them. He goes to the householder, and the householder says, "I will rent you the three rooms here unfurnished for \$30 or \$40 or \$50 a month"; but the employee says, "I do not know how long I am to be here. It may be six months; it may be a year. What will you charge me if you furnish it?" The householder will probably furnish the rooms suitably to the prospective tenant for \$600. He may have the furniture or may need to buy it.

Mr. GRAHAM of Illinois. Mr. Chairman, will the gentleman yield?

Mr. FRENCH. In a moment. He says, "Under the law, then, I will be permitted to rent a furnished apartment at the price I quoted to you plus 10 per cent of the cost of the furniture during the year, which is \$60," which, stretched over a period of 12 months, means \$5 additional per month. In other



words, he would rent the apartment furnished for \$5 a month more than the rate at which he would rent it unfurnished, and we know that no householder would think of furnishing a house and renting it on that basis.

Now I will yield to the gentleman from Illinois.

Mr. JOHNSON of Kentucky. Is not the gentleman proceeding on the notion that there is no consideration beyond a pecuniary one? Should not the householder here take into consideration the fact that he must do his part toward housing here?

Mr. FRENCH. Yes; I have taken that into consideration, and I think that probably the householders ought to be absolutely generous in that regard. And let me call attention to this fact, that if the gentleman will go to a furniture store in this city that makes a practice of renting furniture for a few months and then taking it back, he will find that it is expected that that furniture will be absolutely paid for within a period of two years; and the householder should not be expected, it seems to me, to rent that furniture for such an amount as would not pay him for the furniture itself until after a period of 10 years, and that is what is required under the terms of this bill.

Mr. JOHNSON of Kentucky. The trouble is that they are now renting furnished rooms on the basis that the furniture is paid for in about 10 days.

Mr. GRAHAM of Illinois. Mr. Chairman, will the gentleman yield?

Mr. FRENCH. Let me finish this, and then I will yield. I think there is no question but that the prices are exorbitant, and they should be cut down in many instances. But let me follow the illustration that I took up a moment ago, of the householder who proposed to rent an apartment at \$40 a month and agreed to put \$600 worth of furniture into it. Under this bill he could ask only \$45 for the furnished house.

Now, under my amendment, instead of asking \$45 a month, he could state to the prospective tenant, "I will rent it to you for \$65 a month." That would give him 50 per cent during the year on his furniture, to bring the rent up to \$65 a month, and I am convinced that there is not an employee who would come here under the circumstances who would not be glad to rent a furnished apartment on that basis, rather than rent it unfurnished and buy the furniture and furnish it. It seems to me we ought to raise the percentage on the furniture up to 40 or 50 per cent of what the householder would need to pay to furnish the house.

Mr. GRAHAM of Illinois. Has the gentleman had any experience in renting what they call one of these furnished houses in the District?

The CHAIRMAN. The time of the gentleman from Idaho has expired.

Mr. FRENCH. Mr. Chairman, I ask leave to proceed for five minutes.

The CHAIRMAN. Is there objection to the gentleman's request?

There was no objection.

Mr. FRENCH. I have had precisely that experience, and I would say that I have rented furniture at a rental that paid for it entirely and donated it back again to my householder at the time I was through with the rental period.

Now, I think we ought not to permit that, but there is a place somewhere between that and the terms of the present bill where we should draw the line.

Mr. GRAHAM of Illinois. I had some personal experience in that matter myself, and I have talked with other Members who have had the same experience, and almost universally, I think, this to be true, that in rented houses that are rented furnished the furniture in them is very insufficient and poor, and usually there is a large additional charge for furniture that you would not use in your house at home but which you are compelled to use here, and on account of the fact that the house is rented furnished you must pay a big price for it.

It seems to me that if this is discouraging to the renting of furnished houses it would be a good thing for Members and other people who have to live here on their official business.

Mr. CARY. Mr. Chairman, will the gentleman yield for just a moment?

Mr. FRENCH. Yes.

Mr. CARY. I understand that secondhand furniture stores here are doing a great business since the war began and are loading up houses with secondhand furniture.

Mr. GRAHAM of Illinois. Yes. I could rent a common, ordinary house for \$100 a month unfurnished and for \$125 furnished, and I could buy all the furniture in the house for \$150 or \$200. That is not a limited experience. It is the experience that everybody has had.

Mr. FRENCH. Would not the assessor determine that, and then the householder could charge for the whole of a year only \$15 or \$20, which would be a dollar and a quarter to a dollar and seventy cents a month for that house furnished over what he could rent it for unfurnished?

Mr. GRAHAM of Illinois. I think so. I agree with the gentleman in the idea that it would discourage the renting of furnished houses.

Mr. FRENCH. I may say that if the purpose of this amendment is to discourage the renting of furnished houses, I think it will accomplish that purpose; but it seems to me that a lot of people coming here do not care to rent unfurnished houses and then furnish them themselves. They would be glad to pay more than 50 per cent for the use of the furniture during the time they were occupying the house.

Mr. TREADWAY. Mr. Chairman, I move to strike out the last word.

The CHAIRMAN. The gentleman from Massachusetts moves to strike out the last word.

Mr. TREADWAY. Mr. Chairman, it strikes me that the whole question was very ably put this morning by the gentleman from Georgia, who referred to the question of supply and demand. These prices, even if they are taken as being high, are the result of the demand for property to-day in the District. I do not think the committee or the distinguished chairman of this committee have taken into consideration the hundreds of idle houses and apartments that have stood here for years at a loss to the owners. There has been no move to reimburse those owners for the losses they sustained year after year on account of their property standing idle.

I was told of an illustration only a few moments ago in the case of one of the leading hotels. A clerk there stated that in spite of the employees they were obliged to have for the upkeep of the house during a summer period there never was a time for months during the summer when there were to exceed 10 or 15 guests in that hotel, one of the very houses, probably, of which complaint is at the present time being made.

No move has been made to reimburse people for the losses they have sustained here for years in the matter of idle property, whether hotels or apartment houses. But now, because of a peculiar condition existing here in Washington, and the requirements of so many thousands coming to the place, increasing the demand, because there happen to be isolated cases of extortion, we are asked to pass this legislation. The chairman of the committee [Mr. JOHNSON of Kentucky] could not refute the statement, except to say that he did not believe it, as to the percentage of increase that is taking place. I think we as Members are selfish. The existing condition has occasioned us a little extra expense, and we are asked to vote to inflict something on the whole District and the District ownership of property simply because we have ourselves been the victims of an occasional isolated case, such as the chairman of the committee has referred to.

Mr. FOSTER. Now that there is such a great demand for rooms in the District of Columbia, from people who have come in here, does the gentleman think that these property holders ought now to be permitted to charge such exorbitant prices as to make the back profits that they might have needed years ago?

Mr. TREADWAY. I realize that there is much merit in the idea the gentleman presents. But why pick out real estate? Did not the gentleman from Illinois [Mr. CANNON] state the case exactly as it was this morning when he suggested to the committee that the same thing should apply to a man's shoes or to a suit of clothes? You can not buy a suit of clothes to-day within 25 or 40 per cent of the price you could have bought it for two years ago. Why do we pick out real estate and constructed houses and rented apartments for this particular sort of an attack? If I may be allowed to say it, I think it is very largely not to protect these outside people who are coming here, but because a few of us may have happened to have been caught by these people who rent rooms.

Mr. FOSTER. Does the gentleman think that because we have not regulated the price of every commodity in the District, for that reason we ought not to regulate the exorbitant prices that these people are charging now?

Mr. TREADWAY. I will ask the gentleman if \$12 for a pair of shoes that a few months ago could have been bought for \$4 is not a much greater percentage of increase of price than the increase in the rental of any property that he can refer to here in the city?

Mr. FOSTER. I think it would be an outrage to charge that. Mr. TREADWAY. The chairman of the committee used that as an illustration this morning.

Mr. FOSTER. I will ask the gentleman, why not stop this particular thing? If we can not stop it all, for the Lord's sake let us stop a little of it.

Mr. TREADWAY. Because I do not think it is fair to pick out the real estate situation as an illustration of a condition existing probably everywhere and through all lines of commodities in the District, and existing likewise throughout the country.

The District of Columbia is not alone in this matter. Just because we have the power that is no reason why we ought to exercise it.

Mr. FOSTER. Would the gentleman have us regulate the price of shoes?

Mr. TREADWAY. We are going beyond our depth when we attempt that, and we are beyond our depth when we try to regulate the price of real estate in the District of Columbia.

Mr. CARY. The gentleman's argument is a good one, but the people coming here from outside the District do not have to buy their shoes here, but they have got to live here.

Mr. TREADWAY. Is it not a fact that outside of the soldiers who are compelled to come here, most of whom live in the camps, everyone else who comes here does so voluntarily? Nobody is commandeered to come to Washington, but they come voluntarily. We as Members of Congress come here voluntarily, and we ask the privilege of coming.

The CHAIRMAN. The time of the gentleman has expired. There was no objection.

Mr. TREADWAY. I wanted to refer particularly to the percentage of increase for furnished apartments. It is true, as the gentleman from Illinois said, that if a place is put up to rent furnished it undoubtedly is furnished cheaply, but if by reason of circumstances some one has a satisfactory apartment or a satisfactory house to rent, and can secure a proper tenant for it, an allowance of 10 per cent depreciation of the assessed value of the furnishings simply means that for any ordinarily good apartment or house the owner would rather close it up than take that 10 per cent depreciation. You can not rent furnished property at a depreciation of 10 per cent and break even on it. It is absurd. So, also, I think that the suggestion to include hotels in this bill and put them on a percentage basis is a ridiculous one. The gentleman from Kentucky says he is going to allow them to charge for their waiters and bell boys and chambermaids the exact cost of that service. Why, I never heard a more absurd proposition than that in the world. There is no use in debating or arguing such a statement as that as applied to hotels. If the gentleman wants to debate the merits of that sort of a proposition, I would be very glad to do it, but I do not think we ought to take the time on any such foolish proposition as that, because anybody with any sense at all and any experience in hotel living knows that simply to add the actual cost of service to the rental price is ridiculous on the face of it. If I understand the gentleman's amendment aright—I hope I am wrong in the phraseology of it, but if I am right in it—it is about as ridiculous a proposition as could be brought before the House.

Therefore it seems to me that the whole spirit of this kind of legislation, from start to finish, is wrong. Not one of these people the gentleman is so anxious to protect is forced to come here to Washington. All of them are coming here in an effort to better their condition, and nine times out of ten they could not do it under normal conditions. In my experience here, when young men or young women have written to me about Government positions I have always advised them not to take Government positions. It is the poorest kind of employment a young man or a young woman can have. I hope the example that is before them now of this increased cost of living in Washington will be of sufficient value to stop this tremendous influx of people.

Mr. JOHNSON of Washington. But the various departments telegraph these men and ask them to come on—that they must have them.

Mr. TREADWAY. That is true; but they are not commandeered. They are coming more from a spirit of patriotism, and nine-tenths because they think they can better conditions, and when they get here they find that they are mistaken.

Mr. JOHNSON of Washington. All these people that come here must have houses to live in; they can not live in tents.

The CHAIRMAN. The time of the gentleman from Massachusetts has expired.

Mr. MADDEN. Mr. Chairman, I assume that the amendment offered by the gentleman from Kentucky refers to this section of the bill which imposes 100 per cent in addition to the ordinary taxes, in case the income from the property is such as to justify it, and allows a deduction of 10 per cent from that 100 per cent additional taxes on property which had not been occupied for a stated period. That leads to the conclusion that 10 per cent gross income is all that can be allowed on rented property.

I believe it would be a great mistake to limit the gross income to 10 per cent. Ten per cent of the gross income would be absorbed in the payment of the taxes, which would amount to 1½ per cent of the value of the property.

Mr. JOHNSON of Kentucky. One per cent here.

Mr. LONGWORTH. May I interrupt the gentleman?

Mr. MADDEN. Yes.

Mr. LONGWORTH. I want to ask the gentleman as to the determination of this valuation. Does this mean the present tax valuation or does it mean that the assessor of the District of Columbia will in each case, when appealed to, determine the value of the property?

Mr. JOHNSON of Kentucky. I will answer that question, with the permission of the gentleman from Illinois.

Mr. MADDEN. Very well.

Mr. JOHNSON of Kentucky. The latter part of his question is the proper basis.

Mr. LONGWORTH. That is, that the present list of tax valuations has nothing to do it?

Mr. JOHNSON of Kentucky. Nothing to do with it.

Mr. MADDEN. The gentleman from Kentucky corrects me and says 1 per cent. That would leave 9 per cent. Four per cent for depreciation or repairs would be added to that. If you take off in the shape of depreciation, the average experience is 4 per cent; but if you really charge the actual cost, then it frequently amounts to 20 per cent—sometimes to 100 per cent of the revenue, not the value. Then there must be a certain period when property is idle, and during those periods the taxing and the depreciation goes on. I am not sure whether I am right in concluding that the period of idleness amounts to about 2½ or 3 per cent, but, say, 3 per cent; 4 per cent for depreciation, 1 per cent for taxes, and there is 2 per cent left as income to the owner.

There are special assessments levied against the property for sidewalks, for sewers, and now, I think, for a part of the paving, which is not classed as ordinary taxation. This undoubtedly would amount to the other 2 per cent of income. Now, it is not fair to suppose that people who have property here are willing to have it occupied by strangers without income. I think excessive charges have been made in the District, and in so far as we can remedy those excessive charges and do justice, we ought to do it.

The CHAIRMAN. The time of the gentleman from Illinois has expired.

Mr. MADDEN. I ask for three minutes more.

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

Mr. MADDEN. But I would like the gentlemen who are considering this bill to take a common sense view of what is a legitimate charge—surely 10 per cent is not. I may state for the information of the House that I own some property in another city. One piece of property that I own is an apartment building of about 20 apartments. We do not charge as much rent there as they do here, but the gross income from that property for the month of January was \$527. The net income of the property after paying expenses, furnishing the heat, making the repairs, and so forth, was \$52.06. The gross income of the property was \$527 for the month of February, and the net loss was \$26. So that owning and renting property is not as profitable as it might seem to be.

It is true that many tenants have sublet their apartments, and those to whom they have sublet them have been obliged to pay exorbitant rents. But I do not know how you are going to reach such people who receive exorbitant incomes from property. They have no responsibility, they may not be permanent residents of the District, they may have gone from the territory over which we are to give jurisdiction. They have taken the income with them. I do not think you will be able to accomplish the purpose sought. In any event you will not be able to accomplish your purpose unless you endeavor to be just, and 100 per cent tax with 10 per cent deduction for vacant periods is not just and ought not to be enacted into law, and I undertake to say could not be enforced if it was enacted.

Mr. JOHNSON of Kentucky. Mr. Chairman, if the premises laid down by the gentleman from Illinois [Mr. MADDEN] were correct, his conclusions are not far wrong. But his premises are so far from being correct that his conclusions are bound to be wrong. Everybody in the whole country knows that even with old property 10 per cent is a good income, even where taxes are twice as high as they are here, where insurance is twice as high, and where repairs are more expensive.

Mr. KEARNS. Mr. Chairman, will the gentleman yield?

Mr. JOHNSON of Kentucky. Yes.

Mr. KEARNS. I see in the bill, and the gentleman continually uses, the rate of 10 per cent. That is the rental that can be



charged for a piece of property—10 per cent of the value of the property. Suppose you are going to rent it for only one month, does the gentleman mean to say that 10 per cent of the value of that property shall be charged as rental for the month?

Mr. JOHNSON of Kentucky. I have just offered an amendment making it at the rate of 10 per cent.

Mr. KEARNS. Per annum or per month?

Mr. JOHNSON of Kentucky. At the rate of 10 per cent for the taxable year.

Mr. KEARNS. Has that been written into the bill? It is not in the bill now.

Mr. JOHNSON of Kentucky. It is in the amendment that I have just offered.

Mr. KEARNS. Is that in the amendment—10 per cent per annum?

Mr. JOHNSON of Kentucky. At the rate of 10 per cent per annum.

Mr. KEARNS. Does it use that expression?

Mr. JOHNSON of Kentucky. Yes.

Mr. GRAHAM of Illinois. I have the exact language here—

And at the same rate for any greater or less period of time.

Mr. REED. Mr. Chairman, the city of Washington, as has already been stated, is confronted with an unprecedented—indeed, a most serious situation.

It is one that the capital of every nation involved in this world-wide war has had trouble with.

It has necessitated at each one of these seats of government a tremendous expansion of administrative machinery essential to mobilization of great armies and the production and transportation of munitions and supplies. Thousands upon thousands of new clerks and officials have been summoned to the various capitals of the nations at war, and I am informed that in all of them the housing of the added population has resulted in overcrowded and unusual conditions, notwithstanding the fact that most of these capitals had many times the population of Washington.

France, with a population of about 40,000,000, had her Paris, a city of upward of 3,000,000 people, in which to center her war activities.

The mobilization and war problems of Germany, with a population of something more than 60,000,000, are cared for at Berlin, a city of over 2,000,000.

The mainland of the British Empire has a population of about 50,000,000, but in mobilizing the war energies of these 50,000,000 she has the assistance of the great city of London with about four and a half millions of souls.

The United States has a population of more than double that of England, but the vast problem of mobilizing the military, food, and transportation energies of about 110,000,000 of people was suddenly dumped upon Washington's 340,000 people.

If London and Paris had housing problems, what have we given to Washington?

The field for profiteering was an inviting one, and the old law of supply and demand quickly asserted itself.

Many instances of shameful profiteering have come to light. It is a serious problem for the Congress to meet in a sane, businesslike way.

Washington is not large enough to absorb these thousands of new employees and Army officers who are brought here.

There is a limit to the capacity of her homes.

In the discussion of this bill some pretty hard things have been said about the city, but I am not ready to brand the whole population of Washington as grafters and profiteers. It is our Capital. We ought to be proud of it.

It is made up of people from all the States, and there are good and bad people everywhere. No doubt in New York, Philadelphia, or Chicago the problem of caring for an additional population of 60,000 would not have been so troublesome. But let us not forget that we are handling the mightiest movement that ever vexed the Western Hemisphere in one of the smaller cities of our country.

As a general proposition the people of Washington have shown a most generous and patriotic spirit. During the holiday season I recall that thousands of homes were thrown open to our visiting soldiers, and on Christmas Day a sign was displayed from hundreds of homes indicating that a good turkey dinner awaited any man in the uniform of the Army or Navy, regardless of whether he knew the family or not. Many lodges and churches of the city are to-day extending hospitalities to our boys that are most commendable.

As to the profiteering, it is said that most of it has been done by tenants, often people residing here temporarily. It is said that only a limited number of bona fide owners of real estate have been guilty of inflicting hardships on their tenants.

The claim of the Real Estate Brokers' Association, that of over 20,000 tenants investigated an increase in rentals of only about 1 per cent on the average was found, has not been contradicted.

I myself have talked with many young men and women who are here connected with the activities of the Nation, and they tell me they have found a hearty welcome to some of the best homes of the city at reasonable rates, and they are not complaining.

But, Mr. Chairman, there can be no denying the fact that some householders in the city are acting in most mercenary and reprehensible manner, and I am in favor of legislation that will meet the situation and punish to the limit the offenders.

I shall vote for the best bill we can get. I am not satisfied with several provisions of the bill we are considering. I want to reach the guilty without hampering the innocent. I want to commend my distinguished colleague, the splendid chairman of the committee; his heart is in the right place. Some good remedial legislation, I am sure, will reward his investigations and his untiring efforts to protect the people we are bringing to this city. I only wish we could reach similar situations in many other parts of our land where graft and profiteering are equally rampant.

But we must be careful about putting on the people of the city of Washington retroactive legislation or measures that our State constitutions would not allow us to put on our own people or cities of our own States. They have no voice in this body, no one to speak for them, and I know we all want to treat them fairly. How about some of this profiteering? I met a lady who used to in the prewar period get \$3 a week for a room. She practically made her living by renting rooms in her home. She formerly got the equivalent of 3 bushels of wheat or 70 pounds of sugar renting at \$3 a week. She has raised her price far beyond what this bill will permit her and is getting, say, \$5 a week for her room, but is only getting about half as much wheat and sugar for her room even at an enormous increase in the price charged, and we are calling her a grafter. We are saying that she has been doing something that is reprehensible, and by the provisions of this bill we inflict a heavy penalty on her based on her rental transactions before any law was enacted and when she had no idea she was violating the laws of her country.

Mr. JOHNSON of Kentucky. Mr. Chairman, will the gentleman yield?

The CHAIRMAN. The time of the gentleman from West Virginia has expired.

Mr. REED. Mr. Chairman, I ask unanimous consent to proceed for two minutes more.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. JOHNSON of Kentucky. The gentleman from West Virginia has just spoken of the owner of real estate getting only half the quantity of flour and sugar that she previously got. Does not the clerk from whom she is taking this increase in rent get only half the quantity of wheat and half the quantity of sugar that he previously got?

Mr. REED. I presume that is true, but that does not cure the situation at all.

Mr. JOHNSON of Kentucky. Then, would the gentleman suggest that the only cure is to let her charge more rent?

Mr. REED. She will contend that her great Government has said that the higher price of wheat is right, and has fixed it, and said that the higher price of sugar is right, and that she should have more rent because she pays more for these and other necessities of life.

Mr. GRAHAM of Illinois. How much more is her property costing her to maintain?

Mr. JOHNSON of Kentucky. Her taxes have not been increased.

Mr. GRAHAM of Illinois. Her taxes have not been increased; her cost has not been increased. Why should she have an additional rental for that property?

Mr. REED. Perhaps what is true in the case of others is true with her as to taxes, but certainly her expenses have been enormously increased. I know people who came here to educate their children. They have rented or bought homes, and boarding or renting rooms is their means of making a living. We have welcomed them in the past, because they have furnished rooms and board for the employees of the Government. Such people live on what they get from their rooms or for rooming and boarding people. Most of them, I presume, have increased their prices, and in very many instances their boarders and tenants are not complaining. Some increase was to be expected in Washington, just as rents have increased elsewhere.

Mr. GRAHAM of Illinois. What is bringing these people here? The fact that we are at war, the fact that the Government has to have those people here, and so it is bringing people into this community, and this community ought not on account of this enforced condition to take advantage of them and raise the prices over and above what other communities outside are charging.

Mr. REED. They ought not to do it, and I favor laws to correct it, but all the people of Washington are not doing it.

Mr. GRAHAM of Illinois. Then this bill will not hurt those who are not profiteering.

Mr. REED. Is it profiteering when the tenants are satisfied?

Mr. GRAHAM of Illinois. Well, they are not satisfied, but they are doing it because they have to.

Mr. REED. The Government has said that the farmer has to get more for his wheat because his plow costs more. Shall you say the woman who rents a room shall not get more when her broom which used to cost her 35 cents is now costing her \$1.25? The same advance is true of carpets, curtains, bedding, and so forth, to say nothing of her personal living expenses while she is keeping up the house.

Mr. GRAHAM of Illinois. Yet we are fixing the price of the farmer's wheat. Why not fix that for rent?

Mr. REED. I say fix the rent. But what is the best method and one that will not decrease the number of rooms to be rented?

Mr. BORLAND. Will the gentleman yield?

Mr. REED. I yield.

Mr. BORLAND. The gentleman understands the price of wheat is fixed because of the cost of producing wheat. It is fixed at a price that will enable the farmer to produce but not to make a profit, and if it were fixed any lower he could not produce. That is the scale on which the price of wheat is fixed. Now, the gentleman has already stated in answer to the gentleman from Illinois it is not costing this lady any more to maintain her property in taxes or repairs.

Mr. REED. It is costing more, a great deal more.

Mr. MEEKER. Does the gentleman mean to say that property in cost, repairs, and so forth, is not costing any more?

Mr. BORLAND. Repairs do not figure at all. They certainly would not increase to the extent of \$2 a week.

Mr. MEEKER. Mr. Chairman, I move to strike out the last word.

Mr. REED. Mr. Chairman, I would like to have a couple of minutes more.

The CHAIRMAN. Is there objection to the request of the gentleman from West Virginia? [After a pause.] The Chair hears none.

Mr. REED. Now, in replying further to the questions propounded by my colleague, let me say I am most heartily in favor of a law that will prevent both owners and tenants from charging exorbitant prices. My colleague would treat rents as the Government has dealt with wheat. Well, that would mean a minimum rental on property and no limit as to the maximum. I would fix a maximum on rents. But in the case I cited I am not saying that increasing a room from \$3 to \$5 per week is right. It may be too high; but under this bill the increase allowed would be only 30 cents per week, and I am afraid that is not enough and would only serve to drive many people out of the room-renting business and leave our problem still a serious one. I doubt the wisdom or efficacy of an inflexible 10 per cent method of increasing rates regardless of the circumstances or conditions that may exist. It has already been stated, and not been denied, that in over 20,000 cases the average rent increase over prewar times is about 1 per cent. This bill would apparently be the signal for raising the rent of over 20,000 tenants an additional 9 per cent.

I would like to avoid that and protect this vast number of tenants.

We have found it expedient to create a Food Administrator, a Coal Administrator, a Transportation Administrator, and other kinds of administrators. Now, why not get at this matter through a rent administrator for the District of Columbia? My idea is to have a method that will meet all sorts of rent situations in the District that may arise from time to time, with severe penalties for the guilty profiteers. A 10 per cent increase may be too much in some cases and not enough in others where the property, on account of competition in renting during the prewar period, caused it to be leased far below its real value.

Now, I have heard of various kinds of profiteers in Washington. We all are united in wanting to help the loyal, patriotic, young man or woman who leaves a comfortable home and comes to Washington to help in our war work.

We denounce in the most flagrant manner the landlord or room renter who imposes upon either of them. Now, I regret that in a few instances some of these loyal, patriotic Americans

have come here to take positions and as a "side line" to helping win the war have rented houses and turned to profiteering, their associates in the Government service being the helpless victims of their greed. I hope the number of such cases are limited and I could but wish the law we may pass might have an extra penalty for such miscreants.

Just a word on the question of hotels. I visited some Washington hotels a few days ago and made some inquiries. I do not mean the Shoreham, the Raleigh, or the Willard, but hotels that are well known, respectable hotels. They did not know the purpose of my investigation, and I found they had increased the price of their rooms 50 cents on a room, on an average. I said to one of the hotel clerks, who did not know who I was, "Can I get a room here for \$1.50?" He said, "Yes." "How long in advance will I have to apply to get it?"

"Oh," he said, "let me know a day and a half or two days in advance and I can get you a comfortable room for \$1.50 or a room and a bath for \$2.50." That is not so bad; even the city of the gentleman from Maryland, Baltimore, would hardly do better. Now about apartments. I rented an apartment in one of the best apartment houses in Washington and I find among the apartments there a number of three-room apartments—a sitting room, a bedroom, both large and well lighted, a kitchenette, hall, bath, and two wardrobe rooms. I found a number of such suites in this apartment, all of which are renting for \$38.50 per month. I asked the owner of that building if any of those tenants should vacate and give up their leases, what would be the best price for which one could be had, and he said it was just the same, \$38.50.

Mr. DEMPSEY. Unfurnished or furnished?

Mr. REED. Unfurnished; beautiful apartments; and well lighted, heated, and so forth.

The CHAIRMAN. The time of the gentleman has again expired.

Mr. GILLET rose.

Mr. JOHNSON of Kentucky. Mr. Chairman, I would like to ascertain whether or not I can get a unanimous-consent agreement for closing debate on this amendment.

Mr. GILLET. I would like a little information from the gentleman; that is my purpose in rising.

The CHAIRMAN. Does the gentleman make any request?

Mr. JOHNSON of Kentucky. I do not make any request; I may make it presently.

Mr. GILLET. Mr. Chairman, I wish to get a little information from the chairman of the committee on one phase of this bill. I understand that his purpose is to protect the persons who have come to the city and who can not afford to pay high prices and who are obliged to find a place to live, and yet who find that some owners will take advantage of their necessity and compel them to pay a rent which they can not afford. Now, with that purpose we must all sympathize, for undoubtedly there are many cases of hardship, but there is one other class which the present conditions have brought to Washington who would be covered by the terms of the bill and who, it seems to me, should not be; and I wondered if the gentleman, the chairman of this committee, intended that they should be. Aside from the clerks, Congressmen, and others coming here, and who can not afford to pay high prices, there has come with the new régime of war a class of wealthy people who could find accommodations but who were not satisfied with the ordinary houses, and who are willing to pay largely to secure not simply comfort but luxury, and I have known a good many cases where those persons have directly or indirectly gone to residents who had nice houses, who had no idea of renting their houses, who would not rent their houses for ordinary prices, but who have been offered tremendous rents, and they have leased them furnished for big prices simply because they were getting big prices. Now, it seems to me that this is not the kind of person we care to protect. That is a good deal like fixing a price on diamonds or other luxuries. It seems to me those are things that do not need protection and do not ask protection. Those persons who have given up their houses, and have rented them, would not have done it under ordinary conditions, and it seems to me it would not be fair to them to make them take an amount for which they would never originally have given up their houses.

And I wondered if it would not be fair to remedy it in some way, perhaps by putting a limitation in the bill saying that this should not apply to houses renting for perhaps over \$5,000 or \$7,000 or \$10,000 or any price you like?

Mr. JOHNSON of Kentucky. If the gentleman will permit just there, I will say that there are several reasons why that should not be put in the law. In the first place, taxation, when levied, should be upon all, including the rich as well as the poor. In the next place—

Mr. GILLET. May I ask the gentleman right there—



Mr. JOHNSON of Kentucky. I would like to answer further.

Mr. GILLET. Certainly.

Mr. JOHNSON of Kentucky. In the next place, if the gentleman's thoughts were put into law it would result, in my judgment, in a monstrous wrong being perpetrated upon the United States. In order to illustrate it I can give a concrete instance: The United States is renting 10,500 square feet of floor space in the Munsey Trust Building, on Pennsylvania Avenue, for which it is paying \$10,000 a year. A little while back, Mr. Harris, the manager, if I have his name correctly, served notice on the Chief Clerk of the Treasury Department that on the 1st of July next that the rent would be increased to \$3 a square foot. That would make the Government pay \$31,500 for the same space for which it is now paying \$10,000. Therefore I do not believe the gentleman's thought should be written into law.

Mr. GILLET. I do not believe I made myself clear. I do not think the gentleman understood me.

Mr. JOHNSON of Kentucky. And in addition to that, the proposition is before us in the shape of the Tinkham substitute to reach that matter by a fine instead of by a tax. Now, a substitute will be offered by Mr. TINKHAM to fine that trust company a thousand dollars only for increasing the rent from \$10,000 to \$31,500. If next year they demand \$21,500 more for the same premises than they do now, they can still do it and pay the fine of \$1,000 and make \$20,500 over the rental of the present year.

Mr. GILLET. I do not believe I made myself clear, because I can not see that what the gentleman suggests is at all responsive to what I said.

Mr. JOHNSON of Kentucky. I am sorry if I misunderstood the gentleman.

Mr. GILLET. I think you did. I was not speaking of business property. I was speaking of residences.

Mr. JOHNSON of Kentucky. Would the gentleman distinguish between residences and business property?

Mr. GILLET. Oh, yes; I think I would. The gentleman in his response refers to properties rented to the Government. That, of course, was not in my mind. What I have in mind is this: For instance, I know of a case where a person was living here in the city in a very handsome house. I do not know how much it cost, but I presume the cost was about \$50,000. One of the wealthy men came here, found this beautiful house, handsomely furnished, and he offered a rent which would be three or four times that which would be allowed by this bill. Now, the owner was living in the house, did not seek to rent his property, had no idea of renting it, and would not have rented it at 10 per cent, but under the inducement of an enormous rent he was willing to give up his house and move out. I do not see why that should be forbidden. I do not see, if a man from outside who has plenty of money wants to spend it in that way, it is doing any hardship to him or to anybody else. But it seems to me it would be doing a hardship to the person who has given up his property under the inducement of a big rent to not be allowed to enjoy that rent. And I can not see why that is in violation of the principle, which I heartily agree with, of trying to—

The CHAIRMAN. The time of the gentleman has expired.

Mr. GILLET. Mr. Chairman, I ask unanimous consent that my time be extended for five minutes.

The CHAIRMAN. The gentleman from Massachusetts asks unanimous consent that his time may be extended for five minutes. Is there objection?

There was no objection.

Mr. DEMPSEY. I would like to ask the gentleman one question. Would not the gentleman's idea be met by the Tinkham bill?

Mr. GILLET. To tell the truth, I do not know whether it would or not.

Mr. DEMPSEY. I would call the gentleman's attention to the provision in the Tinkham bill to which I refer. That bill provides that there shall be a readjustment of rents only upon complaint, and there would be no complaint in such a case as the gentleman proposes. And why, therefore, would not that answer fully the gentleman's suggestion?

Mr. GILLET. I agree it would, if that is true.

Mr. JOHNSON of Washington. For those gentlemen who come here and work for a dollar a year and occupy a house, it would not make any difference, inasmuch as the Government pays the rent.

Mr. GILLET. You mean for business purposes?

Mr. JOHNSON of Washington. I understand that in the new form of administration, if a man is working for a dollar a year, they pay his rent.

Mr. GILLET. I am not in the secrets of this administration, but I did not suppose that any of these dollar-a-year men had their rent paid for the houses which they live in.

Mr. LANGLEY. The Government pays their expenses, Mr. Chairman.

Mr. JOHNSON of Kentucky. Referring to what the gentleman from Washington just said, I think if that is true it ought to be exposed on the floor of this House.

Mr. GILLET. Mr. Chairman, I do not believe that can be true, and I call the gentleman's attention to the fact that he should consider it from this standpoint, because, as I understand him, what he is trying to do is to prevent hardships, abuse—to prevent owners of property taking advantage of the necessities of those who have to occupy their property. Now, that does not at all apply, it seems to me, to cases of men who pay a large rent, say \$10,000 a year. They can get all they need for a great deal less, and if they want to pay these big prices I do not see why we are called upon to interfere. It seems to me, as I say, as if it was analogous to settling the price of diamonds and other luxuries by law, whereas all we are really trying to settle is the price of necessities.

Mr. COOPER of Wisconsin. Mr. Chairman, will be gentleman permit a question right there?

Mr. GILLET. Certainly.

Mr. COOPER of Wisconsin. What does the gentleman think of the principle of law that requires that taxation shall be uniform?

Mr. GILLET. Well, I suppose this taxation is simply a subterfuge. It is not imposed for the purpose of taxation.

Mr. COOPER of Wisconsin. Well, it is a bill founded upon the theory of taxing all property owners alike, as all taxables ought to be.

Mr. GILLET. Well, I will agree that that might make it difficult to remedy in this bill.

Mr. JOHNSON of Kentucky. I would not be willing to release the larger amount of tax, to which the gentleman from Massachusetts has alluded, and collect the smaller tax which the little renter would have to pay.

Mr. GILLET. I suppose the gentleman's purpose is, is it not, to remedy the unfairness of the men who own property and who take advantage of the necessities of their tenants?

Mr. JOHNSON of Kentucky. That may be the result, but taxation is the purpose which is set out in the bill.

Mr. GILLET. If that is so, if taxation is the real purpose, I shall vote against the bill. To my mind, however, taxation is not the purpose. Remedying this injustice is the purpose.

Mr. WILLIAMS. Mr. Chairman, will the gentleman yield?

Mr. GILLET. Yes.

Mr. WILLIAMS. Would not the case the gentleman mentioned have a tendency to increase all rentals?

Mr. GILLET. I do not think it would.

Mr. WILLIAMS. To allow rentals to be made at such enormous figures as that?

Mr. GILLET. No. I do not think these fancy prices have any effect on the property that most of us would rent.

Mr. COOPER of Wisconsin. The case that the gentleman cites is on all fours with others that I am acquainted with. For instance, I was told of a residence renting at \$16,000 a year, which, when built, cost a little over \$50,000. The bill, as the gentleman has well said, is founded upon the theory that taxes should be uniform. Does not the gentleman think it ought to have a tendency and ought to have the effect of reducing the profiteering out of the exigencies of the war in the District of Columbia?

Mr. GILLET. That is the purpose of it.

Mr. COOPER of Wisconsin. That is what the rental of such a residence is—a species of profiteering.

The CHAIRMAN. The time of the gentleman from Massachusetts has expired.

Mr. JOHNSON of Kentucky. Mr. Chairman, I will ask the Chair to insist that those gentlemen who wish to speak shall address themselves to the amendment pending and not enter general debate. There will be plenty of opportunity under the five-minute rule to discuss every amendment as it comes along.

The CHAIRMAN. The Chair will state that the debate has been proceeding by unanimous consent.

Mr. KEARNS. Mr. Chairman, I want to address my remarks to the entire bill at this particular time. I believe that there is but a small minority of this House that do not believe in the principles of this bill; that is to say, I believe the vast majority of the membership of this House believe that the idea contained in the bill is the proper one.

There are some who object to the language that has been employed by the writer of the bill, thinking that in some

instances a hardship might be worked upon certain property owners of the town. I would hope to see this bill so amended that there will be no hardship worked against any landowner who in the past has not attempted to take advantage of the men and women who have been coming into the city within the last two or three years to assist the Government in its present stress of business.

The Real Estate Exchange of this city has undertaken to gather statistics to show that the property owners of the town, the real estate owners, have not increased their rents except very slightly since war was declared. I do not know how much of the property they took into consideration when they gathered these statistics, but I believe that the vast majority of the membership of this House if called to the witness stand would give a testimony that would be entirely contradictory to the evidence presented to this House by the Real Estate Exchange.

They have stated that the property owners of the town have increased the rents slightly over 1 per cent, while it has been the experience of every man in this House who has employed any of his time in the last few months in looking for apartments that the rent has been increased from 100 to 500 per cent in the last two years.

I was talking only last evening with an old gentleman whose wife recently died, who had an apartment for which he paid \$25 a month furnished. He and his wife had lived there for the past three or four years, but his wife having died he was going to vacate it, and he told a newly married couple, friends of his from Pennsylvania, who were looking for rooms the other day, that they could get that apartment for \$25 a month. When they went there to rent the premises the landlord, the owner of the property, asked them \$125 per month for it. It is located in a very poor section of the town. There is not in that apartment, according to the old gentleman's statement, \$150 worth of furniture.

Now, that has been the experience of every Member of this House who has spent any time recently looking for some place to live.

Mr. CRAMTON. Mr. Chairman, will the gentleman yield?

Mr. KEARNS. Yes.

Mr. CRAMTON. In my judgment, one of the most effective ways of reaching the evils of the situation would be for the Washington newspapers to have the nerve to give the names and the facts of just such instances as that. Publicity of that kind of robbery would do a lot of good.

Mr. KEARNS. I have no criticism to offer concerning the newspapers of Washington. But you will remember that the newspapers of the District are constantly saying through their editorial columns that Congress ought to sit in session all the year round, and there may be some who are inclined to think that these editorials are inspired by the fact that each Member of this House draws down a salary of \$625 a month, and they do not want any of that money to be spent outside the city of Washington. I do not say that is true of the newspapers, but I say that a suspicion of that kind might be justified.

Mr. SABATH. Mr. Chairman, will the gentleman yield there for just one observation?

Mr. KEARNS. Yes.

Mr. SABATH. I am under the impression that if the newspapers of Washington published such things as the gentleman has mentioned they would be obliged to increase their pages to 24 or 36 each issue.

Mr. KEARNS. Yes. If they published information of that kind they would have to get out extra editions each day.

Mr. TREADWAY. Mr. Chairman, will the gentleman yield?

Mr. KEARNS. Yes.

Mr. TREADWAY. If that is true, why is not evidence of that kind submitted in this great quantity of evidence that has been presented here? We have found but very few instances of that.

Mr. KEARNS. Each Member who has spent any time in the last few months in hunting for an apartment knows that that is true.

Mr. TREADWAY. Well, I am one of those men, and I have been looking for an apartment, and I have found it at a reasonable rate.

The CHAIRMAN. The time of the gentleman from Ohio has expired.

Mr. KEARNS. Mr. Chairman, I ask for five minutes more.

The CHAIRMAN. Is there objection to the gentleman's request?

There was no objection.

Mr. TREADWAY. May I then continue my question?

Mr. KEARNS. I think I have the question. Perhaps the gentleman has not looked for an apartment.

Mr. TREADWAY. Yes, I have; and I have found one at a very reasonable rent.

Mr. KEARNS. I will say to the gentleman that I have no personal quarrel with anybody at this moment. Only last evening a friend of mine who is leaving the city for some three or four months called me on the telephone and invited me to come and occupy his spacious home while he is gone, so I have no personal interest in this matter at this time. But I know these conditions do prevail, and I could cite you to many like instances within my personal knowledge. One case in point comes to my mind now. Some two months ago I saw an apartment advertised. I called up the number on the telephone. Some lady answered the phone, and when I told her what I wanted she apologized. She told me that her home was very exclusive, that they never had rented before, that they did not need the money, but she and her husband had talked about it the night previous, and they thought it was their patriotic duty to rent their apartment. I thought, "Fine, I am dealing with a patriotic family." I said, "How many rooms have you?" She said, "Two rooms and a community bath." "What is the price?" "Well, we thought it was our patriotic duty, and we would rent it for \$200 a month." [Laughter.] I do not know who that lady is. No doubt she is a good, conscientious, honest, Christian, patriotic woman; but I am afraid that if patriotism were the only qualification by which that patriotic, Christian woman could enter heaven, she would never get out of scorching distance of the world of brimstone and fire. [Laughter.]

Mr. TREADWAY. May I ask the gentleman another question?

Mr. KEARNS. Yes.

Mr. TREADWAY. It is along the line of the remark of the gentleman from Illinois [Mr. SABATH] that it would be necessary to increase the size of the papers in order to publish all these complaints. Where have we evidence of that before us?

Mr. KEARNS. I have tried to answer that question.

Mr. TREADWAY. Can you illustrate it?

Mr. KEARNS. I know of some six or eight instances myself.

Mr. MEEKER. Can the gentleman give specific names and numbers? That is what we want.

Mr. KEARNS. Oh, I could, but I am not testifying; I am only observing. There is a great deal of talk about the clerks coming in great numbers to this city of their own volition—that is, it is suggested that nobody is pulling them here; that nobody is compelling them to come. I want to say that if these clerks did not come, the Government could not carry on its business, and if the Government could not carry on its business, then we would fail in our attempt to win the war. It seems to me that, although some of them have given up better positions at home to come here, the very moment they get to the Union Station they are met and followed by a hungry pack of men and women who try to pick their pockets every day that they remain here in the Capital of the greatest Nation of the world. I am not saying this with the thought or wish to apply it to all the men and women of Washington. There are as good men and women in Washington as you will find any place, but this seems to be human nature. Go any place you want in the United States, I do not care where you go, where there is a cantonment containing from 40,000 to 60,000 soldiers, and you will find the same condition prevailing there. You will find the same hungry, greedy hoard of men and women. The Washington landlord is not in a class by himself by any means. You find similar conditions everywhere where there has been a great influx of population. That brings me to the question of officers' uniforms. During the holidays I was in Cincinnati. There was a young officer from down at Camp Sherman who came into a tailor's shop that I happened to be in at the moment. He was getting two uniforms made, one at a cost of \$40 and the other at a cost of \$50. They were made of very fine cloth and by a high-class workman. He told me he was getting them there because down in Alabama at the town where the cantonment was they wanted to charge him \$90 a suit for those uniforms. There is no cantonment located at Cincinnati, consequently these outrageously increased prices do not prevail—only at places in the United States where there has not been a great influx of people in the last few months.

I believe that after this bill has been properly amended it ought to pass. I want to compliment the chairman of the District Committee upon his courage in presenting a bill of this kind, because, regardless of what the Real Estate Exchange of this city may tell him, he knows that men and women of this city are profiteering. I have no criticism to make of this exchange or its membership, but he knows and I know that the average landlord is profiteering at the expense of the men in uniform who are going to fight to make this Capital safe in which for them to live. Yet they continue to ply the nefarious



business of robbing these soldiers who are to be the defenders of our flag and our country. [Applause.] I want to say again that the gentleman from Kentucky [Mr. JOHNSON] ought to be complimented instead of condemned for reporting this bill. [Applause.]

By unanimous consent Mr. REED was given leave to extend his remarks in the Record.

Mr. MEEKER. Mr. Chairman, I ask unanimous consent to proceed for 10 minutes.

The CHAIRMAN. The gentleman from Missouri asks unanimous consent to proceed for 10 minutes. Is there objection?

Mr. JOHNSON of Kentucky. Reserving the right to object, may I ask the gentleman if he intends to ask for any further extension beyond that?

Mr. MEEKER. No.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. MEEKER. First, I want to call attention to the fact that the gentleman who just preceded me [Mr. KEARNS], while condemning the Washington newspapers for not giving specific names and numbers, failed to give any himself. He was on the floor of this House talking to this committee and denouncing something in generalities only. If he has any specific names and cases, it is up to him to give them to this committee right now. If he has none, then do not let him condemn any newspaper for what they talked about in generalities.

Mr. KEARNS. I have not condemned any newspaper. The gentleman over there asked me a question.

Mr. MEEKER. I asked that he name the instances, and he did not do it.

In the second place, the gentleman from Ohio [Mr. KEARNS] indorses what he calls the principle of this bill. I think he was unfortunate in the use of his terms. He may indorse the purpose of the bill, but I do not think any sound business man can indorse the principle of the thing. That is the difficulty with the whole bill. It is an effort to work out something that can not be worked out on any business basis.

Now, in the next place, somebody awhile ago referred to the price of wheat. I think it was the gentleman from Missouri [Mr. BORLAND]. Let us remember that we fixed the minimum price of wheat. We did not guarantee anything as to the maximum, but we guaranteed to the producer the minimum price.

Again, in this proposed measure I have not heard even from the gentleman from Kentucky volunteering to take 10 cents a pound for his hogs when he could get 18. If he would do that and the other farmers would do it, meat would be cheaper. I have not heard of any man here who is growing wheat or cotton, or anything else, volunteering to cut the price of the product in the place in which he lives. They are not profiteering when they get five times as much as they have been getting for their products; they are patriots. But when a man has money invested in real estate and gets war prices he is a profiteer and a thief. Let us be fair and honest. Let some man get up on the floor of the House and announce that he has cut the price of meat or food and is not waiting for prices to rise to get more for his pork.

Take another proposition. Outside of the city of Washington where the Government is putting in employees the Government is doing the sensible thing. It is building houses for employees. We have appropriated \$50,000,000 to take care of housing employees elsewhere. Why is not that the thing to do here? Why do not we, as other business concerns that want to relieve congested housing conditions somewhere, provide by building houses for the people during the temporary congestion? We are going to do that at all shipyards and other places where people are employed by private concerns on Government work; where they are taking great contracts; where great corporations are making great profits; and yet the Government recognizes the necessity of saving these employees from profiteering in those cities by putting up \$50,000,000 to build houses for these men. Is not that the fair and sensible thing to do here? Should we not in the city of Washington realize and recognize the fact that we are sending for all these people to come here—true they come voluntarily to do Government service—why do not we build here for the people just as we are going to build for them elsewhere? I am not going to say—I am not going to make the charge—that the reason that these houses are going to be built at Government expense at other places is because the men who have the contracts insist that it shall be done. I would not make that charge.

Mr. LITTLE. What would you do with all these buildings after the war terminates?

Mr. MEEKER. Do the same as they do elsewhere.

Mr. LITTLE. What will that be?

Mr. MEEKER. I do not know; but Kansas is sending all her mechanics down to the seacoast, and the gentleman from Kansas would like to see them junked in order that the mechanics will come home. That is a proposition that we men of the Mississippi Valley have got to work out. The transportation of skilled labor to the seaboard and the impoverishment of the Central States of skilled labor will reach farther than the end of this war. Some time you men of the Mississippi Valley will awake to that fact. Piling up all of the skill of the Nation on the coast line because of the freight congestion will have its effect long after the war is over, and it is up to us to see to it that as much as possible of the manufacturing for the war shall be done at the homes of the mechanics where they are now located.

These buildings will be junked, many of them. But in Washington the clerk who works in a department is just as much a Government employee as a mechanic who is going to help build a ship at a seaport. The employer of the mechanics comes to Washington and says that "we can't house the men, and if we can't house the men we can't work." The Government says, "All right, here are \$50,000,000, we will do it for you." That same man comes here as a Government clerk on the same salary and he goes to look at some house and says, "I will give you \$5," and another man says, "I will give \$1 more," and so they bid against each other, and the same man who always gets the highest price he can for his pork gets up on the floor here and tells the man who takes the highest price he can get for his room or house that he is a profiteer and a thief.

Now, that is the plain, blunt fact about it. There is no need of trying to camouflage around here about the people of Washington being grafters, and they being patriots. I have not heard of any man coming in here and saying that he will take a lower price than he can get. I have got stock on the market, or will have, and I expect to sell it for the highest figure that I can get out of it. If I did not, I could not raise any stock next year. That is the situation. I have not heard any members of the committee whom I happen to know are rather extensive stock and cattle feeders—I have not heard them complain that hogs are 18 cents and asking the Government to compel the farmers to put it down to 16 cents. That is all there is to this thing. Gentlemen, you are attempting to do just what you tried to do in the food bill. You are trying to control the law of supply and demand by legislative enactment, and it can not be done. Mr. Hoover scolded and stormed about profiteering for six months, and eggs just kept going up until it got so that you could not pay a lady a greater compliment than to call her a hen. That was equivalent to calling her the bird of paradise. But eggs kept going up, and the spring time came. Then the American hen, who never heard of Hoover, because she had eggs in her system, simply took off her coat and went to laying and cackling, and eggs have gone down 40 cents a dozen in four weeks—without any talk of profiteering at all, and the American hen beat Hoover's argument on profiteering. Now, the thing you are trying to do here is a physical impossibility, and this Congress, more than any other Congress, I presume, will tackle more absolutely absurd legislation—

The CHAIRMAN. The time of the gentleman from Missouri has expired.

Mr. DEMPSEY. Mr. Chairman, the gentleman from Missouri [Mr. MEEKER] bases his argument, as it seems to me, on this proposition on the supposition that everyone in the United States is seeking to get the highest price he can for his product, whatever it may be. I call attention to the significant fact that liberty bonds bearing 3½ per cent interest and liberty bonds bearing only 4 per cent interest have been sold by the billions, when patriotic Americans throughout this land could go into the market and get 6 and 7 per cent for their money.

Mr. MEEKER. Mr. Chairman, will the gentleman yield?

Mr. DEMPSEY. Not now.

Mr. MEEKER. In connection with that, I would like to ask the gentleman one question.

Mr. DEMPSEY. One moment. There is no doubt about the fact that the Americans are proving themselves a patriotic people. There is no question that here you have a genuine grievance with which to deal, and the only question is this: With rents raised to an unconscionable degree, with a condition which brought it about naturally, the question is, Shall the Congress of the United States legislate wisely or unwisely; shall we legislate in anger or shall we legislate wisely and with discretion. Here is a problem. Can it be dealt with wisely or not? It is not a simple problem; it is a very difficult problem. At the outset comes the question of price fixing. Everyone admits that price fixing should be avoided as far as possible. Everyone admits that we should resort to price fixing only when it is necessary. Everyone admits that if you can remedy this evil

without going any further into that question than is absolutely necessary you are acting the part of wisdom. Let us see the principle of the two bills proposed here and see whether the one or the other comes within that rule. The bill proposed by the majority of the committee affects all rents. That is your first proposition. It deals with all rents alike. It is obvious that in both particulars it is wrong. You should not deal with rents except in cases where the rents have been extortionate and unjust. That is plain. We will all admit that. You should not deal with all rents alike because conditions vary. That is obvious and simple. What then is the principle of the Tinkham bill? The principle of the Tinkham bill is this, that you shall deal with rents only in cases where there are complaints. There will be complaints wherever there should be, you may depend upon that. Of course, there is a genuine grievance; of course, there have been a multitude of wrongs committed; of course, those wrongs should be, so far as we can wisely and discreetly and with all due observance of rules of wise legislation, remedied, but we should be careful not to be carried away, not to do something that is unwise, not to legislate in anger.

Let us take the principle of the committee bill. If you are going to pass that bill you can amend it in this way. You can amend it by saying that the man who owns the property shall have permission to fix the rent, and at the same time you can revise the rent by a rent administrator as provided in the Tinkham bill. If the landlord insists on a rent above that which the rent administrator finds to be just and reasonable and fair under all the circumstances, to be exercised only upon complaint, then you can tax him the amount of the excess. I do not say that this legislation, take it all in all, is wise legislation. I do not say that we ought to pass it. I do say that the whole realm of this question is filled with doubt; but I do say, if we are going to pass any legislation, let us do it on the principle of the Tinkham bill, or let us reform the present bill to meet the suggestions that I have made. I now yield to the gentleman from Missouri.

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. DEMPSEY. Mr. Chairman, I ask unanimous consent to proceed for two minutes more.

The CHAIRMAN. Is there objection?

Mr. JOHNSON of Kentucky. Mr. Chairman, reserving the right to object, I ask unanimous consent that all debate on this amendment close with the remarks of the gentleman from New York.

The CHAIRMAN. The gentleman from Kentucky asks unanimous consent that all debate on the pending amendment close at the expiration of two minutes. Is there objection?

Mr. FRENCH. Mr. Chairman, reserving the right to object, I made a few remarks a short time ago touching one phase of this amendment. I have since that time prepared an amendment in line with those remarks and have sent it to the Clerk's desk, and I would like to have five minutes to explain just what it is.

Mr. JOHNSON of Kentucky. Mr. Chairman, I ask unanimous consent that all debate on this amendment which is now pending and all amendments thereto close in 12 minutes, 2 minutes to be used by the gentleman who has the floor, 5 minutes to be used by the gentleman who will propose the amendment, and 5 minutes by myself, if I shall see fit to use it.

Mr. GRAHAM of Illinois. Mr. Chairman, reserving the right to object, I desire to make a few remarks in answer to the remarks of the gentleman from Missouri [Mr. MEEKER] on this proposition, and I would like to have five minutes for that purpose.

Mr. JOHNSON of Kentucky. Then I add five minutes to my request.

The CHAIRMAN. The gentleman from Kentucky asks unanimous consent that debate on this section and all amendments thereto shall close in 17 minutes; 2 minutes to be used by the gentleman from New York who has now the floor [Mr. DEMPSEY], 5 minutes by the gentleman from Idaho [Mr. FRENCH], 5 minutes by the gentleman from Illinois [Mr. GRAHAM], and 5 minutes by the chairman of the committee. Is there objection?

Mr. MEEKER. Inasmuch as the gentleman—

The CHAIRMAN. Let the Chair state the question. Is there objection? [After a pause.] The Chair hears none.

Mr. MEEKER. I would like, inasmuch as the gentleman admitted at the beginning I did not quite appreciate the patriotism of the country as I should, and referred to liberty bonds—

Mr. DEMPSEY. I should prefer the gentleman to ask the question.

Mr. MEEKER. I am going to ask it. Why was the first liberty bond sold at 3½, the second at 4 per cent, and the next at 4½ per cent, and they are now below par? Why does not patriotism keep them up?

Mr. DEMPSEY. The reason was simply this: When you sold your first bonds you sold them to the richest country in the world, with its coffers overflowing, and they took those bonds simply from that surplus; and when you came to the second bonds, you went about among the people of the country—here, there, and everywhere—and you said to the man who had a little and you said to the man who even did not have that little but hoped to get it, "You borrow and subscribe to the bond. You will have to pay more, perhaps, for your interest upon the investment while you are paying the principal, but you will be doing a patriotic duty; you are supporting the soldier at the front; you are helping to wage a war in which your country is right." It was that which induced the increase in the rate—it was all those circumstances. All wars tend to increase rates from the first loan until the last, but we believe that through the loans and the sacrifices which the people will make they will gain a great and glorious victory. [Applause.]

Mr. MEEKER. Why did not that keep them at par?

Mr. CARTER of Oklahoma. Will the gentleman yield?

The CHAIRMAN. The time of the gentleman has expired.

Mr. FRENCH. Mr. Chairman, I offer the amendment which I have sent to the Clerk's desk.

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

Amendment by Mr. FRENCH to the amendment offered by Mr. JOHNSON of Kentucky: Strike out the first four words of line 4 and insert in lieu thereof the following: "The real property and 50 per cent of the value of the furniture," so that the amendment as amended would read:

"If no such income was charged or received during said period of 18 months, then the deduction from such gross income of each taxable year shall be an amount equal to 10 per cent of the value of the real property and 50 per cent of the value of the furniture, if any, producing the income," etc.

Mr. FRENCH. Mr. Chairman, I think the members of the committee as a whole realize that there is a condition here that is serious and that we must meet. Undoubtedly profiteering has been indulged in by certain householders. On the other hand, if we leave the language of the amendment as it was originally proposed, we will discourage the renting of furnished houses to such an extent that they will not be rented in any adequate degree, and many of those renting them now will close out as soon as they can get rid of their tenants, unless patriotism will require them to do at a great sacrifice that which they would do in continuing to rent furnished houses. The amendment that I have proposed does not disturb the original proposition so far as the real property is concerned. It leaves that at 10 per cent. It does, however, provide that to the extent of 50 per cent per annum the householder may receive compensation for the furniture that he will place in his property. This, gentlemen, is about the price that existed prior to the war in this country. It is about the price that obtains in New York or St. Louis or Chicago or in any other city. It is about the price that would obtain if a man who wants to rent property would rent an unfurnished house and then rent his furniture from a furniture store and place it himself in the apartment or house rented. A gentleman a little while ago, when I spoke on this subject, suggested that a furnished apartment of five or six rooms would not cost to furnish, say, more than about \$150 or \$200. If this is so, then the amount that the householder could receive for the \$150 during the first year would be \$75, or an additional amount of \$6.25 a month during the period of the year. The people who come to this District from the State of Idaho, I think, are not looking for unfurnished houses. They are looking for furnished houses. They do not know how long they will remain. Most of them are men with small families or detached people who come here and who merely expect to be here for a temporary period. That being the case, they would prefer to pay a few dollars per month extra to have a furnished apartment that they could leave when the period of their service here was over without being bothered by owning furniture. It will be to their interest to pass my amendment.

If we leave the language of the bill as it is you will undoubtedly discourage the householder in renting his furnished apartment and there will be no inducement for him to continue housing our Government employees and rendering a great help to the city at this time and the country, as well as a tremendous accommodation to the employees who are coming here to do the Government's work. I surmise that the condition that exists with respect to those who have come to the District of Columbia from Idaho is not different from the condition that exists with respect to men and women who have come to the District from other States of this Union. Let me again refer to just my illustration. Here is an apartment that the householder is willing to rent for \$40 a month, unfurnished. He is willing, however, to rent that apartment furnished for \$65 per month,



which the tenant says is a reasonable price for him to pay. Under the terms of this bill you say to the householder, "You may rent this apartment for \$40 a month unfurnished or you may rent it for \$45 a month furnished." I submit that few householders will be willing to rent their property if we permit the language of the bill to remain as it is.

And I submit further that the language of the amendment that I have proposed brings to us to-day about the same condition as regards furnished apartments and houses and the rentals of the same that existed prior to the declaration of war and that also obtains in other cities throughout the country.

Mr. GRAHAM of Illinois. Mr. Chairman and gentlemen of the committee, I have wondered somewhat since this discussion started whether perhaps my interest in it was as broad minded as the interests of a man ought to be in approaching a question like this as a Member of the House, on account of some unfortunate personal experiences of my own. But I have tried to divest my mind of any feeling of that kind, if I have any. It occurs to me that many of us are not looking at this matter just exactly from the right viewpoint.

In the first place, this place was selected to be the seat of the Government of the United States. A great part of the expenditures that have been made in this District have been made by the people of the United States, who are now engaged in this war. Some time ago I took occasion to look back through the reports of the Secretary of the Treasury in order to try to find out how much we have spent—the people of the United States—in this District, and I found we had appropriated and that there has been used in this District, out of taxes that the people of the United States have paid approximately \$375,000,000 since the formation of the District. We spent that money here. It has been spent by the people of the United States. Now, the people are in a great war. From year to year the residents of this District have come in here; they have established their businesses; they have built their houses here; and they have been living as the result of the bounty of the people of the United States, and they are living that way now. [Applause.]

Talk about profiteering, gentlemen. I know there is profiteering here. I know there is one standard for men like you and me and another standard for our secretaries. To illustrate that I will relate a little experience of my own. Some time ago I had to send my children to school. It cost me \$18 to have two of them vaccinated. My secretary went to an equally good physician and got his children vaccinated for \$2. And the same thing is true throughout the whole realm of prices. I have taken particular interest in figuring up the prices for groceries in this town, and I have taken the prices from New York, from Fort Worth, Tex., from St. Paul, Chicago, and other great cities of the country—I have them in my office, but not knowing this discussion would arise I do not have them here—and I found that the prices of delivered groceries in the city of Washington to-day will average 33½ per cent higher than in any other place in the United States of anything equal the size of Washington. They are taking advantage of this situation to put up the rents to the people who come here. Members of Congress and officials of the Government are only here because this is where they must perform their official duties. They have no choice as to where they shall reside.

I want to say that I think these stenographers and clerks who come here are sacrificing a great deal to be here. I have heard something said about their being here because they want to better their condition. I do not think so. I think many of them are here because they want to be here, but there are many of them imbued with the same idea as the boys that go out to serve and want to do their bit. I know of many girls from my district who are here to-day and who are not getting as much as they would get at home.

The gentleman from Missouri [Mr. MEEKER] made an argument that appealed to me somewhat until I got to thinking about it. He spoke about the price of hogs and the price of live stock in comparison with real estate prices. The situation is different. The real estate that is here was here before the war; the taxes on it are no more to-day and it costs no more to maintain, and yet the prices have risen from 50 to 300 per cent; while the man who raises live stock on the farm finds his original investment has increased and the cost of feeding his stock for the market is much higher than originally.

It is a different proposition to pay a dollar and a half a bushel for corn with which to feed cattle and other live stock than to pay 50 cents. And I have found from my experience in the country districts that the man who is raising live stock at the present time is not making very much profit on the stuff that he raises in comparison with the prices other people are getting for the stuff that they raise or have to sell. And

it occurs to me in the consideration of this question that these rents ought to be curbed within reasonable lines, in order that the people who come here and have to stay here ought not to be compelled to pay exorbitant prices for the services they are getting that do not cost more than the same services cost before the war.

Mr. JOHNSON of Kentucky. Mr. Chairman, I have only a few words to say, but I must say that I do not believe that anybody ought to vote for an amendment allowing a man in one year to collect 50 per cent from a wage earner for the furniture which that wage earner may use during the year. Everyone here knows that furniture does not wear out in two years, and to allow the landlord to collect the full value of furniture in two years' time would be an outrage on the wage earners who would be compelled to pay for it. A thousand dollars' worth of furniture is exempt from taxation in the District of Columbia.

Mr. Chairman, before a vote is taken on this amendment I believe it would be proper for the Committee of the Whole to revert to the amendment offered by the gentleman from Michigan [Mr. MAPES]. It was discussed back and forth as to whether or not "18" ought to be changed to "12." I believe that the gentleman has concluded that the change should be made.

Mr. STAFFORD. Will the gentleman yield on the pending proposition, because the time is limited? I would like to direct an inquiry as to the amendment offered by the gentleman from Idaho [Mr. FRENCH], if the gentleman will permit. The time is only limited on the pending proposition.

Mr. JOHNSON of Kentucky. I yield to the gentleman.

Mr. STAFFORD. Would the gentleman have any objection to substituting "25 per cent" instead of "50 per cent"? The idea comes to me that where a person purchases furniture for the convenience of some temporary dweller here, with the depreciation of the personal property, if he sells that, there would not be a sufficient return to him by allowing only 10 per cent on the furniture, whereas, taking depreciation into consideration, with 25 per cent there would be an incentive to him to furnish the apartment for the temporary sojourner who does not wish to furnish the apartment.

Mr. JOHNSON of Kentucky. I will say to the gentleman that most of these apartments are not furnished with new furniture. Most of it is bought down here at the second-hand stores.

Mr. STAFFORD. There is a great depreciation in furniture, as we all know.

Mr. JOHNSON of Kentucky. I wish to comply with the unanimous-consent arrangement had a few moments ago—that the debate on this close—but I ask unanimous consent that the gentleman from Michigan may have the right to perfect his amendment, because the amendment which I just offered uses the word "eighteen" instead of "twelve," believing that the gentleman's amendment would not be adopted.

Mr. REED. Mr. Chairman, will the gentleman yield for a second?

Mr. JOHNSON of Kentucky. I will if I have time. I ask that the gentleman from Michigan [Mr. MAPES] be permitted to have his amendment adopted by unanimous consent, to change "eighteen" where it appears to "twelve," so that it can be considered without prejudice to the other agreement.

The CHAIRMAN. Is this the amendment that was withdrawn once to-day?

Mr. JOHNSON of Kentucky. Yes. The gentleman from Michigan offered it and withdrew it.

The CHAIRMAN. Now the gentleman from Michigan offers it again. Without objection, the amendment will be reported.

The Clerk read as follows:

Amendment offered by Mr. MAPES: Strike out the words "18 months" wherever they appear, in section 2, and insert "12 months."

Mr. MAPES. Mr. Chairman, I desire to change that amendment somewhat. In line 20, where the words "18 months" appear, those words should be stricken out. The words "or 18 months" should be stricken out and the word "or" placed before the word "year."

The CHAIRMAN. The Clerk will report the amendment offered by the gentleman from Michigan.

The Clerk read as follows:

Modified amendment by Mr. MAPES: Page 2, line 20, after the word "month," in line 20, insert the word "or," and strike out after the word "year" the words "or 18 months."

The CHAIRMAN. Is there objection?

There was no objection.

Mr. MAPES. Now, Mr. Chairman, a further amendment, striking out the words "18 months," in line 22, on the same page.

Mr. JOHNSON of Kentucky. And substituting "12 months"? Mr. MAPES. Yes; substituting "12 months" for "18 months."

The CHAIRMAN. The Clerk will report the amendment. The Clerk read as follows:

Second amendment offered by Mr. MAPES: Page 2, line 22, strike out the word "eighteen" and insert in lieu thereof the word "twelve."

The CHAIRMAN. The question is on agreeing to the amendment offered by the gentleman from Michigan.

Mr. STAFFORD. Mr. Chairman, will the gentleman yield in that connection?

The CHAIRMAN. There is no debate on the amendment.

Mr. STAFFORD. I understand that this is a separate amendment entirely. This has nothing to do with the agreement that was had a while ago about the amendment offered by the gentleman from Kentucky.

The CHAIRMAN. The gentleman from Wisconsin will proceed.

Mr. STAFFORD. Of course, we are all agreed as to the amendment just adopted.

Mr. JOHNSON of Kentucky. I wish the gentleman to address himself to the gentleman from Michigan.

Mr. STAFFORD. I wish to obtain the opinion of the gentleman from Michigan, whether, if "12 months" be substituted for "18 months," as now proposed, the time of September 30 as the date would be applicable? Here you add under your first amendment that these excess incomes should only be levied from and after April 1. Now you seek to make the standard of your computation a period of time on the 12 months preceding September 30, 1916. Is that your idea? Is it your idea to have September 30, 1916, as the limit for the basis of the year computation of income?

Mr. MAPES. My amendment made no attempt to change the basis for the rent. My amendment simply did away with the retroactive feature of the law, but allowed the same prewar period for determining the proper rent as contained in the bill, and that is the period before September 30, 1916.

The CHAIRMAN. The question is on agreeing to the amendment offered by the gentleman from Michigan [Mr. MAPES].

The amendment was agreed to.

Mr. STAFFORD. Now, Mr. Chairman, I offer—

Mr. JOHNSON of Kentucky. Now, Mr. Chairman, I ask unanimous consent to change the word "eighteen," in the first line of the amendment I offered, to "twelve," in order to fit the amendment offered by the gentleman from Michigan.

The CHAIRMAN. The gentleman from Kentucky asks unanimous consent to modify the amendment. Is there objection?

There was no objection.

Mr. STAFFORD rose.

The CHAIRMAN. For what purpose does the gentleman rise?

Mr. STAFFORD. To offer an amendment.

The CHAIRMAN. There are two amendments pending. The question now is on the amendment offered by the gentleman from Idaho [Mr. FRENCH] to the amendment of the gentleman from Kentucky [Mr. JOHNSON]. Without objection, the Clerk will report the two amendments.

The Clerk read as follows:

Amendment offered by Mr. JOHNSON of Kentucky: Strike out all of lines 5 to 10, inclusive, on page 3, and insert in lieu thereof the following: "If no such income was charged or received during said period of 12 months, then the deduction from such gross income of each taxable year shall be an amount equal to 10 per cent of the value of the property, including furniture, if any, producing the income as determined by the assessor of the District of Columbia for the purposes of this act, and at the same rate for any greater or less period of time; *Provided, however,* That in cases of such last-named property where the landlord furnishes heat, light, or elevator service an additional deduction of an amount equal to the actual cost to the landlord of the heat, light, and elevator service so furnished shall be allowed."

Amendment of Mr. FRENCH to the amendment of Mr. JOHNSON of Kentucky: Strike out, in the fourth line of the Johnson amendment, the words "the property including furniture" and insert in lieu thereof the words "the real property and 50 per cent of the value of the furniture."

Mr. STAFFORD. Mr. Chairman, I offer as a substitute for the amendment just read the following:

The real property and 25 per cent of the value of the furniture.

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

Mr. STAFFORD moves to amend the amendment of Mr. FRENCH by striking out the word "fifty" and inserting in lieu thereof the word "twenty-five," so that it will read "the real property and 25 per cent of the value of the furniture."

Mr. JOHNSON of Kentucky. Mr. Chairman, I wish to inquire of the gentleman from Wisconsin whether he has offered that as an amendment to my amendment or to the amendment to my amendment?

Mr. STAFFORD. It is offered as a substitute for the amendment of the gentleman from Idaho, so as to get it before the committee.

Mr. MEEKER. I move to strike out the last word.

Mr. JOHNSON of Kentucky. Mr. Chairman, debate is closed on the proposition.

The CHAIRMAN. Debate has been closed by unanimous consent. The question now is on the substitute offered by the gentleman from Wisconsin [Mr. STAFFORD].

The question being taken, on a division (demanded by Mr. JOHNSON of Kentucky) there were—ayes 19, noes 21.

Accordingly the substitute was rejected.

The CHAIRMAN. The question now is on the amendment offered by the gentleman from Idaho [Mr. FRENCH] to the amendment of the gentleman from Kentucky [Mr. JOHNSON].

The question being taken, on a division (demanded by Mr. FRENCH) there were—ayes 15, noes 25.

Accordingly the amendment to the amendment was rejected.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Kentucky [Mr. JOHNSON].

The question being taken, the amendment was agreed to.

Mr. JOHNSON of Kentucky. Mr. Chairman, I offer a committee amendment, to come in at the end of the section.

The CHAIRMAN. The gentleman from Kentucky offers an amendment, which the Clerk will report:

The Clerk read as follows:

Amendment offered by Mr. JOHNSON of Kentucky: At the end of section 2, on page 4, insert the following:

"In cases where a charge is made for the use of real estate, furnished or unfurnished, and for food, meals, or board, it shall be the duty of the assessor of the District of Columbia to ascertain what proportion of the total increase in the charge for the combined accommodations furnished to any person is due to the increased cost of materials and labor utilized in furnishing such accommodations, and the remainder of the increase in the charge made to any person for the combined accommodations furnished him shall be regarded for the purposes of this act as increase in the income from the real estate used by such persons."

Mr. STAFFORD. Mr. Chairman, I suppose the purpose of the amendment is to take care of those cases of rentals where not only is a charge made for rental of the room, but for board as well.

Mr. JOHNSON of Kentucky. The gentleman is correct in that.

Mr. STAFFORD. I gather the intent, from the reading of the amendment, to be to have the local assessor determine the various elements of cost in proportion to the whole rent.

Mr. JOHNSON of Kentucky. The bill does not use the assessor in his capacity as assessor in any way, but just selects that individual to determine these questions.

Mr. STAFFORD. Is he a sort of an arbiter or judge to pass upon the amount?

Mr. JOHNSON of Kentucky. Yes; to apportion the amount between board and room.

Mr. TINKHAM. I should like to ask the honorable gentleman from Kentucky how the assessor could do that, on what theory he could apportion what would be the elements, outside of his own bare arbitrary judgment?

Mr. JOHNSON of Kentucky. I will say in answer to the gentleman that it is fully set out in the amendment, and it becomes quite an easy matter for the assessor, acting as arbiter, to find out what is correct for the rental of the room, under the basis laid down in the bill, and then the rest of the charge is for board.

Mr. TINKHAM. I ask by what elements he is going to make a decision that is not purely arbitrary and personal?

Mr. JOHNSON of Kentucky. The value is ascertained in this instance just as it is in all other instances. The bill lays down the premises upon which the value of the income from the room is ascertained, and after that has been ascertained, then the rest of the charge is for board.

Mr. MEEKER. Mr. Chairman, will the gentleman yield?

Mr. JOHNSON of Kentucky. Yes.

Mr. MEEKER. On the matter just passed the landlord is allowed to charge 10 per cent on the value of the furniture. Is that it?

Mr. JOHNSON of Kentucky. Yes.

Mr. MEEKER. So that if a man paid \$30 at a furniture store for a bed, he could rent it for 10 per cent of \$30, which would be \$3 a year?

Mr. JOHNSON of Kentucky. Yes.

Mr. MEEKER. And he could get his money back for the bed in 10 years?

Mr. JOHNSON of Kentucky. Yes. I have in my house some beds that are more than 100 years old, and they are just as good now as they were a hundred years ago.



Mr. MEEKER. Are they assessed at the original cost?

Mr. JOHNSON of Kentucky. I do not know what they cost, but I will assure the gentleman that they are assessed high enough.

The CHAIRMAN. The question is on the amendment of the gentleman from Kentucky [Mr. JOHNSON].

Mr. TREADWAY. Mr. Chairman, I move to strike out the last word of the amendment.

Mr. DEMPSEY. I have an amendment which has been sent to the desk.

The CHAIRMAN. An amendment to the amendment?

Mr. DEMPSEY. An amendment to the section as amended.

The CHAIRMAN. The gentleman will be recognized later.

Mr. TREADWAY. Mr. Chairman, I have been endeavoring to understand the purport of the amendment that has just been offered. I will admit that I am pretty dense, but it looks to me that if a man is paying a hundred dollars a month for his room and board the landlord or the assessor who goes around must say that \$50 of that is for board and \$50 is for the rent of the room, and that on the \$50 for the room there is to be a certain tax and on the \$50 for board there is to be some other kind of a tax. I take it that is the purpose of the amendment. Now, if there is any one thing that has varied in cost it is food. There is no question about the increased price of food outside the District. It applies just as much outside the District as in the District. Let me illustrate: Last year the market price of loins, the wholesale price, was 30 cents a pound. Two years before that you could buy the best loins in the neighborhood for 15 to 18 cents a pound. I was told the other day that the price now is 42 cents a pound.

A few moments ago a gentleman told me that he priced some oranges down town and they were 8 cents apiece. Oranges run from 150 to 210 in a box, and if the man growing them in Florida could get \$3 a box for all that he raises he would get rich. So that what he gets 2 cents apiece for probably the retailer here is getting 6½ to 8 cents. The same applies to every commodity we have to buy.

Now, I would like to ask the gentleman from Kentucky in all fairness how often this assessor that is going to make these prices would go around and vary these rates between the room and the board proposition which he is endeavoring to separate in this amendment?

Mr. JOHNSON of Kentucky. My answer is that he would not have to go but once. He would fix the value of the room on that one trip, but he would not interfere with the price of food thereafter, because there is no provision here that would warrant him in doing so. The bill of fare at the hotels would show what they were charging for food.

Mr. TREADWAY. Not necessarily; there are two ways of charging for food at a hotel. Some charge on the American plan and others on the European plan. I am asking for information, but I do not think the gentleman has furnished me with any more than he did this morning when I was anxious to get some.

Mr. JOHNSON of Kentucky. Does the gentleman believe that I could ever answer any question that he put to me so that he would vote for this bill?

Mr. TREADWAY. No; because I must say that I never saw a more foolish piece of legislation than this that the gentleman has brought in to us to-day. We are entitled to information.

Mr. JOHNSON of Kentucky. The gentleman knows more about what concerns the hotels here than I do, and I am going to accept what he says, and I ask him to accept the fact that I have information on other subjects.

Mr. TREADWAY. I was trying to get information, but the gentleman did not get very far in giving it to me.

Mr. JOHNSON of Kentucky. The gentleman from Massachusetts limits it to fixing the price of rooms and meals at a hotel, and I am endeavoring to go further than that.

Mr. TREADWAY. No; I am taking it in a broader view than that. I do not live at a hotel myself, and I am not vitally interested in this matter. I do know something about the cost of food in hotels, and I am taking it in the broad sense and trying to secure information that the gentleman has, and how extensive this so-called profiteering in the District is. The only reply I have received from the gentleman was that he did not believe the evidence of a reputable organization as submitted to his committee. That was the extent of the information that I secured.

Mr. SMITH of Michigan. Will the gentleman yield?

Mr. TREADWAY. Yes.

Mr. SMITH of Michigan. The gentleman referred to the difference in the price of loins. I presume the gentleman referred to that to show that the landlord was justified in increas-

ing the price of board on account of the difference in the cost of living?

Mr. TREADWAY. There is no question about that.

Mr. SMITH of Michigan. Is the price of wheat any higher this year than it was last year?

Mr. TREADWAY. Under the law the minimum price of wheat has been regulated; I do not know whether the maximum price has been raised or not. I believe there is no limit to it. This is an attempt to establish a maximum price irrespective of cost.

Mr. JOHNSON of Washington. Does this mean that the assessor has got to ask the landlord whether he gave his customer loin, pork chops, or tenderloin?

Mr. TREADWAY. He would have to proceed in just that way?

Mr. JOHNSON of Kentucky. Mr. Chairman, I ask unanimous consent that all debate on this amendment and amendments thereto close in five minutes.

Mr. TINKHAM. I object.

Mr. JOHNSON of Kentucky. I would like to ask the gentleman from Massachusetts how much time he thinks we ought to have on this?

Mr. TINKHAM. I think we ought to discuss this amendment, which is very important and very vital, for at least 20 minutes.

Mr. JOHNSON of Kentucky. Does the gentleman claim under the rules that he is entitled to that time?

Mr. TINKHAM. I will also say that there are other Members who have other amendments. I do not think it is fair to close debate as soon as that.

Mr. JOHNSON of Kentucky. Mr. Chairman, I move that all debate on this amendment and amendments thereto close in 10 minutes, the gentleman from Massachusetts to have 8 minutes and I to have 2 minutes.

The CHAIRMAN. The gentleman from Kentucky moves that all debate on this amendment and amendments thereto close in 10 minutes, the gentleman from Massachusetts to have 8 minutes and he to have 2 minutes.

The question was taken, and the motion was lost.

Mr. TINKHAM. Mr. Chairman, I want to read this amendment to the House and then comment on it. It says:

In cases where the charge is made for the use of real estate, furnished or unfurnished, and for food, meals, or board, it shall be the duty of the assessor of the District of Columbia to ascertain what proportion of the total increase that has been charged for the combined accommodations furnished to any person is due to the increased cost of materials and labor utilized in furnishing such accommodations, and the remainder of the increase in the charge made to any one person for the combined accommodations furnished him shall be regarded for the purposes of this act as an increase in the income from the real estate used by such person.

Now, the only possible thing that any assessor could do if this amendment were adopted would be, in the case of each particular hotel and each individual who furnished rooms and board, to go to the hotel or individual and find out what the hotel keeper or boarding-house keeper had paid for the food and what that element of cost was. Some people buy at one market, others buy at another market, some buy at wholesale, and some at retail. It would be absolutely impossible for any figure to be set except in individual cases, and, in the first place, the assessor could not arrive at a decision probably for two years on all of the hotels and lodging houses, of which there are hundreds, that render this service in the District of Columbia.

Mr. JOHNSON of Kentucky. Would the gentleman object to that delay?

Mr. TINKHAM. Mr. Chairman, I do not object to any delay in this bill, as I am utterly opposed to it, believing it to be unsound, unworkable, and unthinkable as being passed by this House. There is a substitute bill which, as the committee knows, I am to offer later, which meets the situation and which is practical to prevent unfair profiteering in the District of Columbia. I had made up my mind not to enter into a discussion of this bill until I offered my substitute bill, but when such an amendment as this is offered, so utterly unworkable and impractical, I can not restrain myself.

Mr. JOHNSON of Kentucky. Perhaps the gentleman is suffering from shell shock and can not understand that.

Mr. TREADWAY. Mr. Chairman, I would like to know whether the gentleman agrees with the idea of the chairman of the committee that the assessor would have to make only one visit to find out?

Mr. TINKHAM. Under this amendment the assessor would have to assess in accordance with the changes in the cost of the food every 24 hours, the rate that could be charged for the rooms, for as the price of food changed he could not

increase his price for food and lodgings without having a reapportionment; otherwise he might exceed what the law would allow.

Mr. MEEKER. Mr. Chairman, will the gentleman yield?

Mr. TINKHAM. Yes.

Mr. MEEKER. At 10 per cent of the cost of the bed for the year, would that pay for the laundering of the linen? That is, if you changed the linen once a year? [Laughter.]

Mr. TINKHAM. I think the honorable Representative from Massachusetts, my colleague [Mr. TREADWAY], who is a hotel man of national fame and distinction and who has been president of the New England Hotel Men's Association, can speak with more authority in relation to that matter than I.

Mr. TREADWAY. Not in relation to the once-a-year change. I do not know about that kind.

Mr. TINKHAM. Mr. Chairman, I hope this amendment, which I think I have demonstrated is impossible of application and absurd, will not be adopted even to this very impractical bill.

Mr. CROSSER. Mr. Chairman, I do not care to say more than a word or two in regard to the pending amendment. It seems to me that if there is any section of the bill that could be of some use in the District of Columbia, this proposed section would be the one. When this bill was under consideration two weeks ago we were told how the landlords were going to kick everybody out, if they were required to accept a reasonable return for the use of their premises, but it is not likely that hotel keepers because they are confined to a reasonable return, namely, the rent that they were getting in the prewar period plus 10 per cent, are going to turn anyone out or refuse to take anyone in. The amendment if adopted will unmask a lot of people who, under the guise of an increased charge for board and meals, are getting a great deal more rent for their rooms than they had been getting during the prewar period. In brief, what has been happening is this: Where they received perhaps forty or fifty dollars a month for a room at a hotel, and \$50 a month for the meals, in order now to meet the situation with which they are confronted in this bill, they are saying that all of the increase is due to the increase in the cost of furnishing the meals. If that is a fact, it is an easy matter to ascertain it. The assessor can look at the man's books and determine immediately; he can look at the bills and find out what the cost of the service and the food he is serving has been, and the difference properly distributed can easily be determined and regarded as the increased rent they are charging for the use of the room or rooms. We might as well tear the mask off these gentlemen and call a spade a spade. What they are doing, under the guise of increasing the charge for board and meals, is in reality increasing the charge for the use of their rooms, and this would prevent them from doing that.

Mr. MEEKER. Mr. Chairman, I move to strike out the last word.

Mr. FRENCH. Mr. Chairman, I desire to speak on the amendment.

The CHAIRMAN. Has the gentleman an amendment to offer?

Mr. FRENCH. I have no amendment.

The CHAIRMAN. The gentleman from Missouri is recognized.

Mr. MEEKER. Mr. Chairman, I think there is one thing that has not been taken into account, in spite of the fact the chairman of the committee admitted having a hundred-year-old bed. Ten per cent on the cost of a bed—\$30—would be \$3 a year; 25 cents a month for laundry and all. The 100-year-old bed may be worth something to the gentleman who owns it, but, on the average, bedding and mattresses and things of that sort that are used generally after two or three years are not quite what they should be, and I doubt very seriously whether the gentleman from Kentucky would care to go into a room that had no and a new bed or new mattress in it for 10 years or more. Now, of course, the increase in population in that bed in 10 years' time is something that people who had anything to do with that bed would not value, and the greater the population the less the bed is worth.

Mr. JOHNSON of Kentucky. I will say the gentleman's information on that subject is far superior to mine.

Mr. MEEKER. That may be. I have traveled over the country somewhat. The gentleman always stays at home, and is fortunate at that. But when we talk about the general use of household furniture by people who are compelled to live in congested quarters, as they are with these conditions here, and talk about allowing only 10 per cent rental on the furniture which, if we purchased it new and attempted to resell it the second day, you could not get more than 50 per cent

of what you paid for it—the very fact that it becomes second-hand furniture by virtue of that depreciation. This proposition is absolutely too silly, and to ask people here to take care of their homes, to take care of their linens and bedding, however, that part of the bill is on a par and parity with the rest, as far as that is concerned. The intention of the bill may be good, but when we talk about saying to people who will furnish their homes—and we ask that they do it; we are insisting that they shall open their homes for people who want them, that they shall have some sort of furniture there besides soap boxes on which to make their toilet dressing, etc.—we men on the floor of this House are only making ourselves ridiculous in the eyes not only of the people here but of the country to talk about such absurd charge as that.

Now, I do not know whether the gentleman from Kentucky has rented any rooms or not. I do not know whether he has a room to spare in his house. If he has I do not know what he would charge for it, but is it not a fair proposition that if he has a room to rent and has not rented it—

Mr. JOHNSON of Washington. Why not?

Mr. MEEKER. Why not? That is the only question that comes, if he has not, why not? Now, when we are going to talk about what we are doing to the other fellow or for the other fellow, how are we doing in our own affairs? Is every Member of Congress here who has any rooms to rent renting them? Are there any Members of Congress who are willing to rent their rooms for \$5 a week and furnish them and put in new bedding and everything of that sort? I do not think there is a man here who would think of it for a minute, and yet we come here and want to get as good quarters as we possibly can at the least money we can, and if we have a spare room, keep it, while we say to the other man, "You go out and fit up a room, spend \$150 or \$200 on that room, and rent it at 10 per cent of the cost of the furniture. That is all you will get."

Mr. JOHNSON of Kentucky. The gentleman seems to forget there is an allowance here of 15 per cent over and above.

Mr. MEEKER. I do not forget that, but 15 per cent will not take care of it. There is another thing has been said by my good friend from Illinois which has gone unchallenged up to the present time. I do not think there is any man who has employed domestic labor in Washington who will say you can keep a house now for what you could before the increase here. I was talking to a man only yesterday, he is using his rooms for leasing, and when he went to bring back an old cook he was told that she was getting \$20 per week at a restaurant and \$2 a day in tips.

The CHAIRMAN. The time of the gentleman has expired.

Mr. FRENCH. Mr. Chairman, I do not quite understand how the committee harmonizes this paragraph with the preceding paragraph. The amendment that I proposed to the last paragraph would have retained in the bill 10 per cent upon the value of the real property and given to the householder 50 per cent during the year on the value of the furniture.

If that amendment had prevailed I should have proposed a similar amendment to this paragraph, but apparently the committee is not disposed to accept that view of the situation. However, there is a remarkable difference between the conditions under this paragraph and under the last paragraph. Under this paragraph if a householder did not rent his house furnished prior to a couple of years ago and furnishes it now and then rents it furnished he may receive, not 10 per cent on the value of his house and his furniture, but 15 per cent on the value of his house and his furniture. In other words, I suppose that the 10 per cent on the value of his house may be regarded as an offset to the 10 per cent under the preceding paragraph that he may receive on the value of his house. The other 5 per cent on the value of his house must be charged up, then, as an extra inducement to the householder to furnish his apartment or his house.

The chairman of the committee said he was opposed to a proposition that would permit a householder to earn 50 per cent of the value of his furniture in one year. Here is a proposition that may permit the householder to earn 100 per cent on the value of his furniture in one year. How? If the value of the furniture is 5 per cent only, or even more than 5 per cent, of the value of his house, then the privilege of charging 15 per cent instead of 10 per cent on the house itself permits the householder to buy his furniture and more than pay for it within one year.

Going further, there is an inducement in this paragraph to every householder to furnish his house as cheaply as he can, because of the extra rate or increase in his profits on the house itself instead of upon the furniture.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Kentucky [Mr. JOHNSON].



The question was taken, and the Chair announced that the ayes seemed to have it.

Mr. TINKHAM. Mr. Chairman, I demand a division.

The committee divided; and there were—ayes 38, noes 11.

So the amendment was agreed to.

Mr. REED. Mr. Chairman—

Mr. DEMPSEY. Mr. Chairman, I offer an amendment, which I have sent to the Clerk's desk.

The CHAIRMAN. The gentleman from New York offers an amendment, which the Clerk will report:

The Clerk read as follows:

Amendment offered by Mr. DEMPSEY: Pages 1, 2, 3, and 4, after the word "the," line 14, strike out "deductions herein allowed" and insert "reasonable rent thereof to be fixed as hereby provided"; line 16, beginning with "deducted," strike out the balance of the section and insert in place thereof the following: "appointed a rent administrator, who shall, upon complaint of the lessee of any real estate that the rent exacted of him is unjust and excessive, find and fix the reasonable rent of such real estate, whose decision, except it is and until reversed as hereinafter provided, shall be final."

"That the President is hereby authorized to appoint a rent administrator, who shall be a citizen of the United States and resident of the District of Columbia."

"That the President is hereby authorized to appoint a board of rent appeals, consisting of three persons, who shall be citizens of the United States and residents of the District of Columbia. Said board of rent appeals shall have the power to hear and determine any appeal from any order of the rent administrator authorized under section 2 of this act, and said board of rent appeals shall have power, upon consideration of such appeal, by its order, to affirm or reverse the order of the rent administrator, and in case of reversal thereof to increase, diminish, or otherwise modify the amount of rent fixed in the order of the rent administrator, and the amount so fixed in the order of the board of rent appeals shall be considered to be and be the reasonable amount of rent of the real estate affected thereby until the same shall be, upon new facts or other conditions, again changed and fixed by order of the rent administrator or the board of rent appeals, as the case may be."

Mr. JOHNSON of Kentucky. Mr. Chairman, I make a point of order against the amendment, because it is not germane.

The CHAIRMAN. The gentleman from Kentucky makes a point of order against the amendment.

Mr. DEMPSEY. Mr. Chairman, I ask to be heard on the point of order.

The CHAIRMAN. The Chair will hear the gentleman on the point of order.

Mr. DEMPSEY. The object of this section, section 2, is simply to tax rents in the District of Columbia upon a basis to be fixed by that section, and the amendment simply varies the way in which the amount of rent which shall be made subject to taxation, or rather how the amount of the tax shall be ascertained. It is precisely the same provision, only reached in another way.

In the bill it is provided that any rent in excess of 10 per cent beyond the rent which was paid at a certain date, April 1, 1918, shall be, all of it, taken for taxation purposes; shall, in other words, be a tax. I say in my provision that this rent, beyond a reasonable amount to be ascertained by an administrator to be appointed by the President, shall be taxed. In other words, we reach the same result by a different route. The first is by the 10 per cent route. Mine is on the reasonable-amount basis, to be fixed by the administrator to be appointed by the President. It is precisely the same thing ascertained in a different way.

Mr. FOSTER. Mr. Chairman, will the gentleman yield?

Mr. DEMPSEY. Yes.

Mr. FOSTER. The gentleman's amendment, as I understand, creates a board. Now, is there anything in this bill that provides anything of the kind? Is it the gentleman's opinion that an amendment creating a board of rents, or an administrator of rents and a board to hear complaints, is germane to a bill of this kind?

Mr. DEMPSEY. I will say, if the Chair please, in answer to the gentleman's question, two things. I will say, first, that his question goes to only a small portion of this amendment, and that the Chair can rule, if need be, on that part separately. I will say, secondly, that the Chair has just ruled that the amendment proposed by the gentleman from Kentucky, of a similar nature as to an assessor, is valid and is in point.

Mr. FOSTER. The gentleman may be right, that it is a small part of it, in his judgment. But that small part may be such as to make it offensive to the rule of being germane. There is nothing in this bill providing for a board of appeals or a rent administrator. Now, if he can change the aspects of the bill entirely by putting in such language as that it is a strange thing under the rules of the House. It is not germane to the bill.

Mr. JOHNSON of Kentucky. Mr. Chairman, I feel quite sure that if you will read the rule laid down on page 343 there is no sort of question as to the fact that the amendment is not germane. It has only a pretense of color to be germane.

The CHAIRMAN. The rule to which the chairman of the committee calls the Chair's attention reads as follows:

No motion or proposition on a subject different from that under consideration shall be admitted under color of amendment.

The bill under consideration provides for raising revenue, levying an income tax. The amendment offered by the gentleman from New York [Mr. DEMPSEY] proposes to regulate and control the matter of the collection of rents—

Mr. DEMPSEY. Oh, no. The amendment proposes that it shall be assessed in a different manner. It does not propose to regulate rents at all. It proposes, in order to ascertain what the amount of the tax shall be, that there shall be a rent administrator appointed, who shall find and fix a reasonable rent, and any rent imposed beyond a reasonable rent shall be taxed.

Mr. JOHNSON of Kentucky. It is a clear case of substituting a board here, Mr. Chairman.

The CHAIRMAN. Without discussing it further, the Chair is clearly of the impression that it is not germane. It is legislation on a subject entirely different from that in the bill. The point of order is therefore sustained. The Clerk will read.

Mr. DEMPSEY. If the Chair please, I will appeal from the decision of the Chair.

The CHAIRMAN. The gentleman from New York appeals from the decision of the Chair. As many as favor sustaining the decision of the Chair and having his decision stand as the judgment of the committee will please say "aye."

The question was taken; and the Chairman announced that the "noes" seemed to have it.

Mr. JOHNSON of Kentucky and Mr. FOSTER demanded a division.

The CHAIRMAN. A division is called for.

The committee divided; and there were—ayes 29, noes 9.

The CHAIRMAN. The committee is determined to sustain the decision of the Chair.

Mr. HARDY. Mr. Chairman, I have taken up but little time of this committee, and I wish to offer an amendment and I wish to discuss that amendment some. It is possible that the amendment is subject to a point of order.

The CHAIRMAN. The gentleman from Texas offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. HARDY: Strike out all after the enacting clause and insert the following: "That the term 'real estate' as herein used shall be construed to include lands, buildings, parts of buildings, houses, dwellings, apartments—"

Mr. JOHNSON of Kentucky. Mr. Chairman, I think the Clerk has read far enough so that I may make the point of order—

Mr. DEMPSEY. I think we ought to have the amendment read.

Mr. HARDY. I do not wish to take up much time. Will the gentleman reserve his point of order and let me have five minutes to present my proposition?

Mr. JOHNSON of Kentucky. Yes.

The CHAIRMAN. The gentleman from Kentucky reserves the point of order. The Clerk will report the amendment.

The Clerk read as follows:

Amendment offered by Mr. HARDY: Strike out all after the enacting clause and insert the following:

"That the term 'real estate' as herein used shall be construed to include lands, buildings, parts of buildings, houses, dwellings, apartments, rooms, suites of rooms, and every improvement and structure whatsoever, or any part thereof, upon land."

"Second. That for the purpose of securing necessary housing for employees of the Government at fair and reasonable rates and charges the President of the United States is authorized to appoint a rent administrator and, through such administrator, fix the reasonable rental value of any real estate within the District of Columbia which may be taken for the use of employees of the Government."

"Third. That the President of the United States may take for the use of such employees any real estate within said District whenever, in his judgment, the said real estate is needed for housing such employees, upon payment to the owner thereof of the sum fixed by said rent administrator as the rental value thereof: *Provided*, That no private residence or any part thereof occupied by the owner shall be taken without the consent of the owner: *And provided further*, That if the owner of any real estate taken under this act shall not agree to accept such sum as full compensation for the use of his property, such owner shall be paid 75 per cent of the rental value fixed by the rent administrator and may bring suit against the United States in any court of general jurisdiction in the District of Columbia for any additional sum claimed by him for compensation."

Mr. JOHNSON of Kentucky. Mr. Chairman, I reserve a point of order on the amendment.

Mr. HARDY. Mr. Chairman, I wish to present this amendment in order to explain my view of this legislation. I do not believe that this Congress sits here for the purpose of preventing one millionaire from New York being imposed upon by another millionaire in Washington as to the price of his room rent and hotel bills, but I do believe that this Congress

is earnestly concerned in securing housing for the employees of the Government at reasonable cost. I believe that for that purpose the Government has the right to take over any property that it sees proper to take, at prices reasonably fixed as fair rental value. My amendment provides the President may appoint a rent administrator, and that the rent administrator shall determine the rental value of property to be taken, and if the property owner shall disagree to that, he is given the usual remedy—to appeal to the courts. I say if he declines to accept the rental sum fixed by the administrator as full compensation, then pay him 75 per cent of that sum, as we have done in all the other commandeering propositions submitted to this Congress, and then give him the right to go into court and obtain just compensation if what is fixed is not just. It seems to me that this bill as framed by the committee is destructive of all ideas of property rights. I do not speak of its being undemocratic or unrepresentative. It simply destroys the foundation of all property in this country. When you start with rents in general in this city you will go to rents in general in all cities, and you will quickly go to all other business or private interests. You can not draw a distinction between this and the fixing of the prices of shoes, either in justice or in policy. But if the Government wants to commandeer any property here, in order to provide reasonable quarters for its employees whom it must have, give it the authority, and then provide for just compensation as you do in everything else. [Applause.] I have stated what will prompt my vote, and I say that neither the Tinkham bill nor this bill under consideration comes within the purview of the teachings that I have had all my life as to property rights. [Applause.] Yet I know that the demagogue may attack me, because he will say I am unwilling to tear down high prices here in Washington. I am willing to treat Washington as I treat the world. I am willing to treat Washington as I treat my home town, and I am unwilling to go into my home town and fix a price on every item there. I am unwilling to go onto the farm and fix the price of the private property of the farmer, to say that he shall sell his mule to his neighbor for \$100, and that if he sells for more we will tax him 100 per cent of the excess and give the purchaser a right to sue him and recover from him twice the amount paid in excess of \$100. "With what measure ye mete it shall be measured unto you." What we do to Washington or here in Washington we should be willing to have done to us at our homes. If the Government needs housing, let it take it and pay just compensation under the principles that our fathers established in the founding of this Government. [Applause.] If the Government needs anything I have, let it take it in the same way. I would protect all employees brought here by our war emergencies. I denounce all profiteering at the expense of the Government, and I denounce all conspiracies and combinations to rob the Government or to raise prices and rob the public, but what we have to do with what a wealthy citizen who wants to spend the winter in Washington shall pay to another wealthy citizen as rent for his home here in Washington I fail to see.

My amendment would provide for taking private property for public uses upon just compensation, and, if need be, I will go further and vote for an appropriation to build houses for Government employees, and I will vote to make it a crime for men to combine or conspire to raise prices, either of rents or other property; but the bill presented by the committee destroys all rights of private property, and I can not vote for it. [Applause.] That is all I wish to say.

Mr. JOHNSON of Kentucky. Mr. Chairman, I make the point of order; and since the gentleman from Texas practically concedes that the amendment is subject to the point of order, I do not care to argue it.

The CHAIRMAN. Does the gentleman from Texas desire to be heard?

Mr. HARDY. I shall not take up time on the point of order except to say that the purpose of this bill is to regulate rents. The purpose of my amendment is to regulate rents. If the purpose being the same does not make my amendment germane, then I have nothing further to say. I am not a parliamentarian.

Mr. JOHNSON of Kentucky. Mr. Chairman, the bill speaks for itself. It is a bill to raise revenue and not a bill to regulate rents.

Mr. HARDY. The bill is also a bill to regulate rents by providing that one who pays rent may sue for it.

The CHAIRMAN. Without discussing the matter, it is exactly the same proposition submitted to the Chair a few minutes ago, and the Chair makes the same ruling and sustains the point of order.

Mr. MADDEN. I will ask the gentleman from Kentucky if he expects to finish this bill to-night?

Mr. JOHNSON of Kentucky. If no other amendments are offered and the Clerk is permitted to read right along, I do not see why we should not.

Mr. CRAMTON. Mr. Chairman, I desire to offer the following amendment.

The Clerk read as follows:

Page 3, lines 15 and 16, after the word "increase," strike out the words "to 15 per cent" and insert the words "by 15 per cent of the value of the furnishings."

Mr. JOHNSON of Kentucky. Mr. Chairman, I reserve a point of order on the amendment.

Mr. CRAMTON. Mr. Chairman, I desire the attention of the chairman of the committee as to one or two matters of information. First, as I read the bill at the present time, lines 11 to 16, they would work out in this way: If in the previous period a certain house was leased unfurnished at \$100 per month, then under this provision it would be proper now to lease it unfurnished at \$110 per month, giving an additional amount of 10 per cent on the former rental. If, however, instead of renting it unfurnished, as was the case before, it should be rented furnished, the house which was rented for \$100 in the former period unfurnished could only be leased for \$115 furnished. That additional rental of \$5 for the furnishing of perhaps a \$10,000 house does not seem to me to be what the committee has intended.

Now, I in good faith desire to know of the chairman if I am correct in my position. If I am correct in my position, then the desirability of the amendment that I have suggested is apparent. It simply provides that in such a case a man may deduct or consider a proper rental of \$110 for the house and an additional rental of 15 per cent of the value of the furnishings, whatever they may be. If I am right in my understanding of the facts, I hope the gentleman will be willing to accept my amendment.

Mr. JOHNSON of Kentucky. If I correctly understood the gentleman's question, the 15 per cent allowed in the bill relates to real estate and personal effects.

Mr. CRAMTON. But I think the 15 per cent, as it reads in the bill, does not refer to the value, but goes back to the rental. So it is not 15 per cent of the value, but 15 per cent of the former rental, and as there was no furniture in the house previously there was no former rental of furniture. I think lines 11 to 16 should not be construed as referring to the per cent of value as provided in lines 5 and 10, but rather the per cent goes back to the rental discussed in the first part of the section.

I will say further to the gentleman from Kentucky, that if this 15 per cent refers to the value of the property, then it is hardly consistent with his theory of the bill, because the house is furnished to allow 15 per cent—

Mr. JOHNSON of Kentucky. I will say that I answered the gentleman hurriedly on a quick reading of his amendment; but let me ask the gentleman what would be the effect of the provision if his amendment was adopted?

Mr. CRAMTON. If the house in the prewar period rented at \$100, it might be rented at \$110 for the house and an additional 15 per cent of the value of the furnishings now put in as the rent for the furnishings.

Mr. JOHNSON of Kentucky. Will the gentleman state that again?

Mr. CRAMTON. If the house was rented in the prewar period at \$100 a month—

Mr. JOHNSON of Kentucky. The bill would allow an increase of 10 per cent on that.

Mr. CRAMTON. That would be \$110 for the house. Then, if there were no furnishings in it before, and now the furnishings are put in, you would allow them to charge 15 per cent of the value of the furnishings under my amendment.

Mr. JOHNSON of Kentucky. Mr. Chairman, I really see no objection to the gentleman's amendment. As far as I am concerned I will not oppose it and I withdraw the point of order.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Michigan [Mr. CRAMTON].

The question was taken, and the amendment was agreed to.

Mr. MADDEN. Mr. Chairman, we have made real progress, as the adoption of the amendment of the gentleman from Michigan [Mr. CRAMTON] indicates. We have worked hard all day and we have a strenuous day ahead of us to-morrow, the consideration of the legislative bill. In order to give each man a chance to get the cobwebs out of his head between now and to-morrow morning, I make the point of order that there is no quorum present.

Mr. JOHNSON of Kentucky. Mr. Chairman, will the gentleman withhold that for a moment?

Mr. MADDEN. Yes.

Mr. JOHNSON of Kentucky. I hope the gentleman will not insist upon that. It is only 5 o'clock.



Mr. MADDEN. It is 10 minutes after 5 o'clock.

Mr. JOHNSON of Kentucky. If we adjourn this afternoon without disposing of the bill, it can not come up again for two weeks, and in the meantime some of the gentlemen's constituents and mine, and the mothers and the wives of the soldiers who are across the sea, are suffering because of the extortion here, and I would hate to see the gentleman stop the progress of the bill at this time of day.

Mr. MADDEN. It is impossible to finish the bill to-night. If there was any chance of finishing it to-night I would be glad to yield the point.

Mr. JOHNSON of Kentucky. We can go along here for three-quarters of an hour yet.

Mr. MADDEN. We all have a lot of mail to sign before we can go home.

Mr. JOHNSON of Kentucky. That can be done to-night.

Mr. MADDEN. Mr. Chairman, I insist upon the point of order.

The CHAIRMAN. The gentleman from Illinois makes the point of order that there is no quorum present. The Chair will count. [After counting.] Sixty-five Members present; not a quorum. The Clerk will call the roll.

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

Anderson	Edmonds	Kreider	Rowe
Anthony	Estopinal	LaGuardia	Rowland
Bacharach	Fairchild, B. L.	Lee, Ga.	Rubey
Barkley	Fairchild, G. W.	Lenroot	Sabath
Britten	Ferris	Leshner	Scott, Mich.
Brodbeck	Fess	Lever	Scott, Pa.
Browne	Flynn	Linthicum	Scully
Buchanan	Fordney	Longworth	Sherley
Caldwell	Gallivan	McClintic	Shouse
Campbell, Kans.	Gard	McCormick	Siegel
Campbell, Pa.	Garland	McCulloch	Small
Cannon	Garrett, Tex.	McFadden	Smith, Thos. F.
Cantrill	Goodall	McKenzie	Snyder
Capstick	Gould	McKeown	Steele
Car-w	Graham, Pa.	McLemore	Steenerson
Church	Gray, N. J.	Maher	St. Johns, Nebr.
Clark, Fla.	Greene, Mass.	Mann	Sterling, Pa.
Clark, Pa.	Griest	Miller, Minn.	Stevenson
Cooper, Ohio	Hamill	Montague	Stiness
Copley	Hamilton, N. Y.	Moore, Ind.	Sullivan
Costello	Haskell	Morin	Swift
Crago	Heaton	Neely	Switzer
Crisp	Heintz	Nicholls, S. C.	Talbott
Currie, Mich.	Helvering	Nichols, Mich.	Tennleton
Curry, Cal.	Hollingsworth	Park	Towner
Davidson	Hood	Parker, N. Y.	Van Dyke
Dewalt	Howard	Phelan	Walker
Dies	Husted	Platt	Watson, Pa.
Dooling	Hutchinson	Polk	Weaver
Doremus	Johnson, S. Dak.	Pou	Webb
Doughton	Keating	Powers	White, Ohio
Drukker	Kehoe	Price	Wilson, Ill.
Dunn	Kelley, Mich.	Ragsdale	Wilson, La.
Eagan	Ky, Ohio	Ramsey	Woodyard
Eagle	Kraus	Riordan	Young, Tex.

The committee rose; and the Speaker having resumed the chair, Mr. RUCKER, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee had had under consideration the bill H. R. 9248, and, finding itself without a quorum, had caused the roll to be called, whereupon 287 Members responded to their names, a quorum, and he handed in the list of absentees for publication in the Record.

The SPEAKER. The committee will resume its sitting.

The committee resumed its sitting.

The Clerk read as follows:

SEC. 3. That, on or before the 10th of July, 1918, a true and accurate return under oath shall be made by each "person" subject to said tax, or his authorized agent, to the assessor of the District of Columbia, setting forth specifically the gross amount of such income from all separate sources accrued during the period from December 31, 1916, to June 30, 1918, and the deductions to which he may be entitled under this act; and the said taxes thereon, computed as provided in section 2, shall become due and collectible on or before September 1, 1918. And on or before the 10th of August, 1918, and of each and every month thereafter a true and accurate return under oath shall be made by each "person" subject to said tax or by "his" authorized agent, to the said assessor, setting forth specifically the gross amount of such income from all separate sources accrued during the next preceding month, together with a statement of such deductions. If any person subject to said tax fails to make any such return at the time herein fixed, or makes, willfully or otherwise, a false or fraudulent return, the assessor of the District of Columbia shall make the return from his own knowledge or from such information as he can obtain through testimony or by any other means; and the return so made shall be sufficient for all purposes of this act. To the amount of the tax due upon all returns so made by the assessor there shall be added a penalty of 50 per cent of the tax; but when it shall appear that the failure to file the return or the making of a false return was due to an unavoidable or excusable cause, the said penalty may be abated by the Commissioners of the District of Columbia. It shall be the duty of said commissioners to prepare and furnish to each taxpayer making application therefor printed forms on which such returns shall be made. The said tax and all penalties thereon shall constitute a superior lien on the "real estate" from which the income has been derived, and shall be assessed and collected by the same officers, at the same time except as hereinafter otherwise provided, and by similar proceedings as other taxes on real and personal property in said District.

The committee amendment was read, as follows:

Page 5, line 8, after the word "return" strike out the word "of" and insert the word "or."

The amendment was agreed to.

Mr. JOHNSON of Kentucky. Mr. Chairman, I offer the following committee amendment.

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

Amendment offered by Mr. JOHNSON of Kentucky: Amend page 5 by striking out lines 14, 15, 16, 17, 18, and 19 and insert in lieu thereof the following:

"The tax and penalties which are assessed, levied, and made payable by any of the provisions of this act are hereby made a superior lien on the property, both real and personal, from the use or occupancy of which the taxable income has been derived: *Provided, however*, That the said entire personal property without any exemption; whatever shall be exhausted before the real estate is proceeded against by either tax or penalties. The said tax and penalties shall be assessed by the same officers at the same time, except as herein otherwise provided, and by similar proceedings as are other taxes on real and personal property in said District."

Mr. JOHNSON of Kentucky. Mr. Chairman, in the bill as it was originally written the lien for the tax was retained upon the "real estate" only. This amendment retains the tax lien upon both the "real estate and the personal property from which the revenue is derived. In other words, the owner of the property from which the income is derived should see that that tax is paid. Objection has been made to that provision of the bill, but I hope I have now remedied it so as to overcome that objection. I believe that those who furnish the tools with which these extortions are made should be answerable for the tax. The real estate people say that the real estate should not be subject to any part of the lien, but we insist that it should be. Wherever a piece of real estate becomes liable for the payment of any part of this tax then the owners of the property are going to become sentinels. They should be drafted and used as sentinels to watch their property to see that none of their tenants rob the mothers and widows of the soldiers who are now abroad—that nobody robs the clerks who are here working for small wages in an effort to win the war. [Applause.] I say that they ought to stand as sentinels over their own property, and I hope this House will carry this amendment and compel them to do so. The amendment which I have offered makes no exemption to anybody for personal property. The last vestige of the personal property can be taken and sold for the payment of this tax. There is nothing whatever exempted from it at all, and I believe that that will save the real estate people from having a lien go upon their property, and if it does not they themselves can prevent it, and they are the first people in this District who should come forth and say, "We will do our part patriotically and see that no tenant of ours shall practice extortion." [Applause.]

Mr. STAFFORD. Mr. Chairman, I rise in opposition to the amendment to inquire of the gentleman whether there are other amendments to be proposed to this section and inquire if he will be kind enough to take the committee into his confidence as to what time he expects to rise.

Mr. JOHNSON of Kentucky. Mr. Chairman, I can say to the gentleman that as far as I now see I have no further amendment to offer to this section, but I do not see why the Members of the House should not be willing to sit here a little while, perhaps less than an hour, to relieve this ugly situation that is now confronting us in the District of Columbia. [Applause.] Therefore I shall be glad to see the bill finished to-night.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Kentucky.

The question was taken, and the amendment was agreed to.

Mr. MAPES. Mr. Chairman, I offer the following amendment.

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

Page 4, line 10, strike out, "December 31, 1916," and insert in lieu thereof "April 1, 1918."

Mr. STAFFORD. Will the gentleman yield? [Cries of "Vote!"] This is not for the purpose of taking up time, but I wish to say to those who have been absent most of the day that there have been some changes in the bill that require some amendments as to dates, and this is one of them. I wish to inquire of the gentleman as to the reason why he has stricken out "December 31, 1916," and substituted "April 1, 1918."

Mr. MAPES. That is merely to conform to the amendment which was made in the second section.

Mr. STAFFORD. May I have the attention of the chairman of the committee? In all good faith I ask this question. The chairman agreed to the amendment of the gentleman from Michigan [Mr. MAPES], substituting a yearly period instead of an 18-months' period.

Mr. JOHNSON of Kentucky. I will say to the gentleman I did not make such agreement.

Mr. STAFFORD. This has been incorporated in the bill as a one-year basis for computation instead of 18 months, which is the basis of the dates in lines 10 and 11, on page 4. That is, the period from December 3, 1916, to June 30, 1918, was taken as the 18-months' period. What does the gentleman propose by his amendment? He proposes, instead of submitting a yearly period to substitute a period merely from April 1 to June 30, or a three-months' period. I respectfully represent, not only to the chairman of the committee but to the gentleman offering the amendment, that it is not in harmony with the fundamental principle of the amendments heretofore adopted.

Mr. JOHNSON of Kentucky. My opinion is that the amendment is not right. I would like to hear from the gentleman from Michigan [Mr. MAPES].

Mr. MAPES. Mr. Chairman, I do not think the gentleman from Wisconsin has carefully read this section in connection with the other sections of the bill?

Mr. STAFFORD. The gentleman is mistaken in that particular.

Mr. MAPES. At least his interpretation does not agree with mine.

Mr. STAFFORD. I am not surprised that my interpretation does not agree with the gentleman's.

Mr. MAPES. If the gentleman will permit and allow me to explain, I will try to do it to his satisfaction.

This provision in this section states the period for which the property owners shall file their return with the District assessors and during which they are liable to a tax. This bill proposes to tax men who charge more than 10 per cent over the prewar period after April 1 of this year. This provision provides that everybody who charges more than the prewar rent from April 1 to July 1 shall file his return. There is nothing inconsistent in this amendment with the other provisions of the bill. It would be entirely inconsistent unless this amendment is adopted. And it is put in merely to make this section conform with section 2 as amended here this afternoon.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Michigan [Mr. MAPES].

The question was taken, and the amendment was agreed to.

The Clerk read as follows:

SEC. 7. That the Commissioners of the District of Columbia are hereby authorized and directed to make all reasonable and needed rules and regulations for the enforcement of this act.

Mr. HILLIARD. Mr. Chairman, I offer a committee amendment.

The CHAIRMAN. The gentleman from Colorado [Mr. HILLIARD] offers a committee amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. HILLIARD: Page 7, immediately after line 10, insert as a new section the following:

"SEC. 8. That if any clause, sentence, paragraph, or part of this act shall, for any reason, 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."

The CHAIRMAN. The question is on the amendment offered by the gentleman from Colorado [Mr. HILLIARD].

The question was taken, and the Chair announced that the ayes seemed to have it.

Mr. MADDEN. A division, Mr. Chairman.

The committee divided; and there were—ayes 103, noes 16.

So the amendment was agreed to.

Mr. HILLIARD. Mr. Chairman, I ask unanimous consent that the amendment just adopted be known as section 8 and the next section designated as No. 9.

The CHAIRMAN. The gentleman from Colorado asks unanimous consent that the amendment just adopted be known as section 8 and the next section be known as No. 9. Is there objection?

There was no objection.

The Clerk concluded the reading of the bill.

Mr. TINKHAM. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The gentleman from Massachusetts offers an amendment, which the Clerk will report.

The Clerk read as follows:

Mr. TINKHAM offers the following as a substitute for the bill: Insert after the enacting clause:

"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 rents of real estate in the District of Columbia during the war. For such purposes the instrumentalities, means, methods, powers, authorities, duties, obligations, and prohibitions hereinafter set forth are

created, established, conferred, and prescribed. The President is authorized to make such regulations and to issue such orders as are essential effectively to carry out the provisions of this act.

"SEC. 2. That in the interpretation and construction of this act the following rules shall be observed, namely:

"First. The term 'real estate,' as herein used, shall be construed to include lands, buildings, parts of buildings, houses, dwellings, apartments, rooms, 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 and rights therein or thereto.

"Second. The word 'party' or 'person' shall include individuals, legal representatives of individuals, partnerships, joint-stock companies, associations, corporations, societies, bodies corporate, the Government of the United States in all its branches, departments, bureaus, boards, councils, and other agencies and instrumentalities, and all representatives, agencies, bodies, and instrumentalities acting for or in behalf of or employed or used by any and all foreign Governments not at war with the United States, unless such construction would be unreasonable; and the reference to any officer shall include any person authorized by law, or by regulation made in accordance with this act, to perform the duties of his office.

"Third. Words importing the singular number shall be held to include the plural, and vice versa, except where such construction would be unreasonable.

"Fourth. Words importing the masculine gender shall be held to include all genders, except where such construction would be unreasonable.

"Fifth. The term 'rent' or 'rent from real estate' shall include any and all amounts received for the daily, weekly, monthly, yearly, or other periodical or term use or occupancy of real estate, or any part or multiple of any such periods of time.

"SEC. 3. That the President is authorized, from time to time, to fix the amount of rent of real estate in the District of Columbia and to revise and change the amount of existing rents thereof, so that the same shall be just and reasonable, which may now or hereafter be rented, leased, subleased, transferred by assignment of lease or rental contract, used or occupied by any party or person.

"SEC. 4. That the President is hereby authorized to appoint a rent administrator, who shall be a citizen of the United States and resident of the District of Columbia, who shall have full power and authority, under the direction of the President, to revise and change and (or) to fix, upon request of any party or person in interest, or otherwise, as the rent administrator may determine, the amount of rent which can be lawfully charged and received for the use and occupation of any real estate in the District of Columbia which is now or may hereafter be rented, leased, subleased, used, or occupied by any party or person; and any and all orders of the rent administrator revising and changing existing rents shall relate back to and take effect as of the date of the approval of this act by the President: *Provided*, That any party in interest may prosecute an appeal from any order of the rent administrator to the board of rent appeals provided for in this act, under and in accordance with such rules and regulations as may be made respecting appeals; and until such appeal shall be decided by the board of rent appeals the order of the rent administrator shall be superseded by the appeal.

"SEC. 5. That from and after the date of promulgation of any order of the rent administrator fixing an amount of rent in any case, it shall be unlawful and be a violation of this act for any person to charge or receive a greater rent than the amount so fixed; subject, however, to the right of appeal hereinbefore created.

"SEC. 6. That the rent administrator is authorized, under the direction of the President, to make and promulgate rules and regulations not inconsistent with this act for carrying out the provisions hereof.

"SEC. 7. That the President is hereby authorized to appoint a board of rent appeals, consisting of three persons, who shall be citizens of the United States and residents of the District of Columbia. Said board of rent appeals shall have the power to hear and determine any appeal from any order of the rent administrator authorized under section 4 of this act, and said board of rent appeal shall have power, upon consideration of such appeal, by its order, to affirm or reverse the order of the rent administrator, and in case of reversal thereof to increase, diminish, or otherwise modify the amount of rent fixed in the order of the rent administrator, and the amount so fixed in the order of the board of rent appeals shall be the amount of rent which can be lawfully charged and received for the use and occupation of the real estate affected thereby until the same shall be, upon new facts or other conditions, again changed and fixed by order of the rent administrator or the board of rent appeals, as the case may be.

"SEC. 8. That nothing in this act shall be construed to prevent the renting of real estate by the party or person entitled thereto at such price or prices and for such period of time and on such terms as the parties to the contract or agreement of renting shall agree upon: *Provided, however*, That the amount of rent provided for in any and all such leases, contracts, and agreements shall be subject to revision and change by the rent administrator from time to time, upon the application of any party thereto, or otherwise as the rent administrator may determine, and the rent administrator may from time to time approve and confirm the existing rent or may decrease or increase the same as he may determine to be just and reasonable, as in this act provided.

"SEC. 9. That the rent administrator and such agents as he may appoint for that purpose shall have power to summon witnesses and require the production of books and documents, and may administer oaths and affirmations to witnesses so summoned and take testimony respecting the matters covered by this act."

Mr. NORTON rose.

The CHAIRMAN. For what purpose does the gentleman from North Dakota rise?

Mr. NORTON. To make a point of order that the amendment is not in order. Clearly it is not in order.

The CHAIRMAN. The Clerk has not finished reading the substitute. The Clerk will proceed with the reading.

The Clerk read as follows:

"SEC. 10. That any person violating any of the provisions of this act shall be deemed guilty of a misdemeanor and shall be punished by a fine of not exceeding \$1,000 for each offense.

"SEC. 11. That if any clause, sentence, paragraph, or part of this act shall, for any reason, be adjudged by any court of competent jurisdiction to be invalid, such judgment shall not affect, impair, or in-



validate 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. 12. That this act shall remain in full force and effect until a treaty of peace between the Imperial German Government and the United States shall have been concluded and proclamation thereof shall have been made by the President of the United States."

Mr. JOHNSON of Kentucky. Mr. Chairman, I make a point of order against it.

The CHAIRMAN. The gentleman from Kentucky makes a point of order against the substitute.

Mr. JOHNSON of Kentucky. As not being germane.

The CHAIRMAN. The gentleman from Kentucky makes a point of order against the substitute on the ground that the substitute offered by the gentleman from Massachusetts [Mr. TINKHAM] is not germane to the bill.

Mr. TINKHAM. Mr. Chairman, I believe it is germane.

Mr. JOHNSON of Kentucky. The bill is for the raising of revenue, and the substitute does not propose to raise any revenue, but to appoint a rent commissioner instead of that.

The CHAIRMAN. Does the gentleman from Massachusetts [Mr. TINKHAM] want to be heard?

Mr. TINKHAM. I do. The bill offered by the honorable gentleman from Kentucky has for the first time been stated to raise revenue. It has up to now been discussed as a bill to prevent unfair profiteering, and everyone who can read the bill must say that that is its only purpose. Its very title says so. I have offered a bill to meet unfair profiteering, but by a different method. If his bill is not a bill to reach unfair profiteering, then my bill is not germane. But if the purpose of his bill, as declared throughout its terms and by him in debate and also those who support him, is to prevent unfair profiteering, then my bill, offered as a substitute, is for the same purpose and germane.

Mr. GILLETT rose.

The CHAIRMAN. Does the gentleman from Massachusetts [Mr. GILLETT] desire to be heard?

Mr. GILLETT. It only occurred to me, Mr. Chairman, when the gentleman from Kentucky said this was not in order because his bill provided revenue and this did not, that this inference was a strained one.

If his logic is correct, then no amendment would ever be in order, because an amendment must be different from the original bill or it is not an amendment, so that the fact that this substitute differs from the original bill does not prove that it is out of order.

It seems to me that my colleague states it fairly. This bill is simply and solely a bill to prevent profiteering here in the District, as all the debate has shown, and the bill that my colleague presents accomplishes the same object in another way, but it is clearly attempting to accomplish just that object and nothing else. Therefore it seems to me that as a whole bill it is germane to this whole bill.

Mr. FOSTER. Mr. Chairman, will the gentleman yield?

Mr. GILLETT. Yes.

Mr. FOSTER. This bill, as I understand it, introduces another subject entirely, and that is that they shall appoint a rent administrator and a board of appeals.

Mr. GILLETT. Yes.

Mr. FOSTER. And does not raise any tax whatever.

Mr. GILLETT. No.

Mr. FOSTER. Now, does the gentleman from Massachusetts think that with that new matter in the bill, which provides for an administrator and a board of appeals, enlarging it in that way, it is germane to a bill of this kind?

Mr. GILLETT. I certainly do, because the purpose is absolutely the same. It accomplishes it in a somewhat different way. But it can not accomplish it in exactly the same way. If it did, it would not be an amendment at all.

Mr. FOSTER. Does the gentleman think that a bill to provide for an administrator and a board of appeals is in order on this bill?

Mr. GILLETT. It is to accomplish the same purpose.

Mr. FOSTER. I might agree with the gentleman on that.

Mr. GILLETT. Of course you would.

Mr. FOSTER. But that does not make it in order, because the rule distinctly says, as read by the Chair this afternoon on a similar amendment—

Mr. GILLETT. Then would you claim that no method is in order except a method of raising revenue? Is that your grounds?

Mr. FOSTER. Let me say to the gentleman from Massachusetts that it has been held time and time again, as he knows better than I do, that a commission on a bill is not in order; it is not in order on any bill. That has been held time and again.

Mr. GILLETT. It has been held both ways, if I recollect aright, on that very point.

Mr. COOPER of Wisconsin. Mr. Chairman, will the gentleman yield?

Mr. FOSTER. I remember it the other way.

Mr. GILLETT. I yield to the gentleman.

Mr. COOPER of Wisconsin. I would like to ask the gentleman from Massachusetts one question. The bill introduced by the gentleman from Kentucky [Mr. JOHNSON] is a tax bill, a bill to raise taxes. As I heard the substitute of the gentleman from Massachusetts [Mr. TINKHAM] read, it does not relate to taxes at all.

Then, is a bill which does not relate at all to taxes, but which proposes another matter entirely, germane as an amendment to a purely tax bill?

Mr. MEEKER. Will the gentleman yield for a question? If this is a revenue bill, then it should have gone to the Committee on Ways and Means.

Mr. COOPER of Wisconsin. It is too late to talk about that.

Mr. MEEKER. But did not the gentleman from Kentucky, the chairman of the committee, specifically announce at the opening of the consideration of the bill that it was to stop profiteering?

Mr. COOPER of Wisconsin. It does it by the imposition of taxes. That is the method. The amendment of the gentleman from Massachusetts [Mr. TINKHAM] has nothing to do with taxes.

Mr. CRAMTON. Will the gentleman yield?

Mr. COOPER of Wisconsin. I yield to the gentleman from Michigan.

Mr. CRAMTON. Mr. Chairman, the purpose of the bill as to raising revenue will be accomplished only in case of unfair rentals. Therefore, if the bill is successful in stopping profiteering, as the gentleman from Kentucky [Mr. JOHNSON] desires, there will be no revenue raised. Hence it is obvious that the purpose of the bill is not to raise revenue, but to stop profiteering.

Mr. TINKHAM rose.

The CHAIRMAN. Does the gentleman from Massachusetts desire to be heard?

Mr. TINKHAM. I do.

The CHAIRMAN. The Chair will hear the gentleman.

Mr. TINKHAM. The title of the bill introduced by the honorable Representative from Kentucky [Mr. JOHNSON] reads "to prevent extortion."

Mr. JOHNSON of Kentucky. Read it all.

Mr. TINKHAM. "To impose taxes upon certain incomes in the District of Columbia, and for other purposes"; but its principal intent, according to the title of the bill and the entire argument made in the committee, has been to prevent extortion. The honorable Representative from Kentucky is not proposing it as, nor does he pretend at this moment that it is, a tax measure. If he does pretend so, then all of his arguments in relation to the bill have been false and fraudulent. It is an anti-profiteering bill and nothing else. It is not a tax bill.

Mr. JOHNSON of Kentucky. If there is anyone who has a right to complain of that, it is the tax collector.

Mr. TINKHAM. One moment, the honorable Representative from Kentucky states that he intends to impose a tax by this bill, but in section 5 he says that anyone who must contribute a tax has made a contract which is contrary to public policy and unenforceable. That means that it is not a tax measure. If that does not mean that it is not a tax measure, if it does not mean that it is a fraud on the House to call it a tax measure, then I do not know what a fraud upon a legislative body can be. I hope the Chair will rule in accordance with the merits of this matter, that my bill, which seeks to reach the unfair profiteer, is germane to his bill, which seeks to reach the unfair profiteer, and proper to be offered as a substitute. [Applause.]

Mr. NORTON. Mr. Chairman, I do not wish to detain the committee, because the amendment is clearly not germane, and if the Chair is going to rule according to my view of the matter I am not going to occupy any time.

The CHAIRMAN. The Chair has no information as to what information the gentleman from North Dakota has, as to how the Chair is going to rule; but the Chair is prepared to rule.

The bill which the committee has had under consideration provides for the levying and collecting of an income tax for raising revenue under certain conditions. The substitute carries no provision of that sort, as the Chair understands it. There is no provision in the bill offered as a substitute by which income taxes or revenue would be provided for or authorized.

Now, it is argued by the gentleman that this legislation is designed to prevent profiteering in the District, that the bill which the committee has under consideration seeks to accomplish that purpose, and that the bill which is offered as a substitute has the same purpose in view. Gentlemen say that there-

fore the substitute offered is germane. The chairman of the committee presents the point of order that the substitute is not germane.

If it should be conceded that the purpose of the bill is to prevent the practice of what has been characterized as profiteering, alleged to exist in this city, the Chair suggests that the same purpose might be accomplished in still another way. If an amendment were offered to the bill under consideration, authorizing the Federal Government to build a large number of residences, or houses, or apartment houses, for rent at a very low rental, that might accomplish the purpose sought to be secured by this legislation because, through the means of competition, it would destroy the opportunity of those having property to demand and receive exorbitant rates. And yet I think that even the gentleman from Massachusetts [Mr. TINKHAM] who offers this substitute would not insist that such an amendment would be germane. The Chair has no doubt about it. The only doubt the Chair has is one that he has always in mind, that the Chair may be wrong; but the Chair's conviction is strong that the point of order is well taken that the amendment is not germane, and therefore sustains the point of order.

Mr. JOHNSON of Kentucky. Mr. Speaker, I move that the committee rise and report the bill to the House, with sundry amendments, with the recommendation that the amendments be agreed to, and that the bill as amended do pass.

The CHAIRMAN. The gentleman from Kentucky moves that the committee rise and report the bill, with sundry amendments, to the House, with the recommendation that the amendments be agreed to and that the bill as amended do pass.

The motion was agreed to.

Accordingly the committee rose; and the Speaker having resumed the chair, Mr. RUCKER, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee had had under consideration the bill (H. R. 9248) to prevent extortion, to impose taxes upon certain incomes in the District of Columbia, and for other purposes, and had directed him to report the same back with sundry amendments, with the recommendation that the amendments be agreed to and that the bill as amended do pass.

Mr. JOHNSON of Kentucky. Mr. Speaker, I move the previous question on the bill and amendments to final passage.

Mr. GILLET. Mr. Speaker, I move that the House do now adjourn.

The SPEAKER. The gentleman from Kentucky moves the previous question on the bill and amendments to final passage, and the gentleman from Massachusetts makes a preferential motion that the House do now adjourn.

Mr. JOHNSON of Kentucky. A parliamentary inquiry, Mr. Speaker.

The SPEAKER. The gentleman will state it.

Mr. JOHNSON of Kentucky. If the House should adjourn before ordering the previous question, the bill would not come up to-morrow, but if the previous question is ordered it would come up to-morrow as unfinished business.

The SPEAKER. The gentleman from Kentucky is correct. The question is on the motion of the gentleman from Massachusetts that the House do now adjourn.

The question was taken; and on a division (demanded by Mr. GILLET) there were 71 ayes and 110 noes.

So the House refused to adjourn.

Mr. JOHNSON of Kentucky. Mr. Speaker, I renew my motion.

The SPEAKER. The gentleman from Kentucky moves the previous question on the bill and amendments to its final passage.

The question was taken, and the motion was agreed to.

The SPEAKER. Is a separate vote demanded on any amendment. If not, the Chair will put them in gross.

There was no demand for a separate vote, and the amendments were agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time.

Mr. MEEKER. Mr. Speaker, I demand the reading of the engrossed bill.

The SPEAKER. The engrossed bill is not here.

#### ENROLLED BILLS SIGNED.

Mr. LAZARO, from the Committee on Enrolled Bills, reported that they had examined and found truly enrolled bill of the following title, when the Speaker signed the same:

H. R. 175. An act to amend an act entitled "An act making appropriations to supply deficiencies in appropriations for the fiscal year 1915 and for prior years, and for other purposes."

The SPEAKER announced his signature to enrolled bill of the following title:

S. 3471. An act to authorize the Secretary of War to grant furloughs without pay and allowances to enlisted men of the Army of the United States.

#### LEAVE OF ABSENCE.

Mr. McKEOWN, by unanimous consent, was given leave of absence for the balance of the day, on account of illness in the family.

#### ADJOURNMENT.

Mr. JOHNSON of Kentucky. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 6 o'clock and 20 minutes p. m.) the House adjourned until to-morrow, Tuesday, March 12, 1918, at 12 o'clock noon.

#### EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of Rule XXIV, a letter from the Acting Secretary of War, transmitting a list of 66 leases granted by the Secretary of War under authority of the act approved July 28, 1892, during the calendar year 1917 (H. Doc. No. 967) was taken from the Speaker's table, referred to the Committee on Expenditures in the War Department, and ordered to be printed.

#### PUBLIC BILLS, RESOLUTIONS, AND MEMORIALS.

Under clause 3 of Rule XXII, bills, resolutions, and memorials were introduced and severally referred as follows:

By Mr. ROUSE: A bill (H. R. 10627) providing for an examination of the Ohio River with a view to the construction of an ice pier on the south side of said river in the vicinity of Covington and Newport, Ky.; to the Committee on Rivers and Harbors.

By Mr. KALANIANA'OLE: A bill (H. R. 10628) to further provide for the national security and defense and for the purpose of assisting the prosecution of the war, and to provide for the assistance and appropriations by the Federal Government for the repair and maintenance of such improved highways of the several States as may, because of the extraordinary circumstances of war, be declared to be military roads; to the Committee on Appropriations.

By Mr. KELLY of Pennsylvania: A bill (H. R. 10629) to provide death penalty for convicted spies; to the Committee on the Judiciary.

By Mr. JAMES: A bill (H. R. 10630) to provide death penalty for convicted spies; to the Committee on the Judiciary.

By Mr. FLOOD: A bill (H. R. 10631) to prevent alien enemies from voting for electors for President and Vice President or United States Senators or Members of the House of Representatives; to the Committee on Election of President, Vice President, and Representatives in Congress.

By Mr. KALANIANA'OLE: Resolution (H. Res. 269) directing that the Committee on Military Affairs of the House of Representatives be directed to make inquiry of the proper naval and military authorities and report to the House the necessary legislation to bring to the highest degree of efficiency the naval base and fortifications on the island of Oahu; to the Committee on Military Affairs.

By Mr. POUL: Resolution (H. Res. 270) providing for the immediate consideration of H. R. 8409; to the Committee on Rules.

By Mr. RUBEY: Resolution (H. Res. 271) asking for the consideration of H. R. 7795; to the Committee on Rules.

By Mr. JAMES: Joint resolution (H. J. Res. 263) proposing an amendment to section 7, Article I, of the Constitution, relative to the Executive veto of bills passed by Congress; to the Committee on the Judiciary.

By Mr. COOPER of Wisconsin: Memorial of the Wisconsin Legislature, asking Congress to impose certain taxes on incomes, inheritances, and excess profits during the war; to the Committee on Ways and Means.

Also, memorial of the Wisconsin Legislature, asking Congress to enact necessary legislation to permit soldiers' mail to be transmitted free of postage; to the Committee on the Post Office and Post Roads.

#### PRIVATE BILLS AND RESOLUTIONS.

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

By Mr. BLAND: A bill (H. R. 10632) granting a pension to Joseph Bessi; to the Committee on Pensions.



By Mr. BOOHER: A bill (H. R. 10633) granting an increase of pension to Durbin Longfellow; to the Committee on Invalid Pensions.

By Mr. CANNON: A bill (H. R. 10634) granting an increase of pension to Susan E. Brown; to the Committee on Pensions.

By Mr. CANTRILL: A bill (H. R. 10635) granting an increase of pension to Samuel M. Boone; to the Committee on Invalid Pensions.

By Mr. CARY: A bill (H. R. 10636) granting a pension to John Kerns; to the Committee on Pensions.

By Mr. COOPER of West Virginia: A bill (H. R. 10637) granting an increase of pension to Johnson Hatfield; to the Committee on Invalid Pensions.

By Mr. DENTON: A bill (H. R. 10638) granting a pension to Levi C. Posey; to the Committee on Invalid Pensions.

Also, a bill (H. R. 10639) granting an honorable discharge to John D. Gardner, alias John Darity; to the Committee on Military Affairs.

By Mr. DEWALT: A bill (H. R. 10640) granting an increase of pension to William H. Spang; to the Committee on Invalid Pensions.

By Mr. DIXON: A bill (H. R. 10641) granting an increase of pension to Phineas P. Ewan; to the Committee on Invalid Pensions.

Also, a bill (H. R. 10642) granting a pension to Luther Bedel; to the Committee on Pensions.

Also, a bill (H. R. 10643) granting an increase of pension to Allen Kelly; to the Committee on Invalid Pensions.

Also, a bill (H. R. 10644) granting an increase of pension to Jacob H. Lynch; to the Committee on Pensions.

Also, a bill (H. R. 10645) granting an increase of pension to Andrew J. Green; to the Committee on Invalid Pensions.

By Mr. FRANCIS: A bill (H. R. 10646) for the relief of Charles Haythorpe; to the Committee on Patents.

By Mr. GODWIN of North Carolina: A bill (H. R. 10647) granting an increase of pension to Elijah Coffman; to the Committee on Invalid Pensions.

By Mr. HAUGEN: A bill (H. R. 10648) granting an increase of pension to Charlotte Heald; to the Committee on Invalid Pensions.

By Mr. MAPES: A bill (H. R. 10649) granting a pension to Eva Rhodes; to the Committee on Invalid Pensions.

By Mr. MOTT: A bill (H. R. 10650) granting an increase of pension to Robert Henderson; to the Committee on Invalid Pensions.

By Mr. NEELY: A bill (H. R. 10651) granting an increase of pension to Francis M. Cain; to the Committee on Invalid Pensions.

By Mr. ROBBINS: A bill (H. R. 10652) granting an increase of pension to James K. Gallagher; to the Committee on Invalid Pensions.

By Mr. ROUSE: A bill (H. R. 10653) granting an increase of pension to James L. Young; to the Committee on Invalid Pensions.

By Mr. SANDERS of Indiana: A bill (H. R. 10654) granting an increase of pension to Francis M. Lee; to the Committee on Invalid Pensions.

By Mr. SEARS: A bill (H. R. 10655) granting a pension to Rosalie Thomas Draper; to the Committee on Invalid Pensions.

By Mr. SMITH of Idaho: A bill (H. R. 10656) granting an increase of pension to Charles N. Wheeler; to the Committee on Invalid Pensions.

By Mr. WALSH: A bill (H. R. 10657) granting an increase of pension to Henry A. Turner; 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): Memorial of the Women's Municipal League, of Boston, favoring House bill 9642, appropriating \$50,000,000 for the housing of war workers; to the Committee on Public Buildings and Grounds.

Also (by request), petitions of 24 members of the Bucklick Farm Club, New Haven; 26 members of the Rock Hill Farm Club, Krakow; 22 members of the Grand Farm Club, New Haven; and memorials of the Good Hope Farmers' Club, Gerald; Evergreen Farm Club, of school district No. 57, Franklin County, and the Union Community Farm Club, Atlanta, all in the State of Missouri, protesting against the discrimination against the farmers in price schedules and asking that farmers be allowed such prices as will pay cost of production and a small profit; to the Committee on Agriculture.

Also (by request), resolution of the Visiting Nurse Association, Mount Vernon, N. Y., urging that military rank be conferred upon members of the nursing corps; to the Committee on Military Affairs.

Also (by request), resolution of the Irish Progressive League of Boston, urging recognition of Ireland as an independent nation; to the Committee on Foreign Affairs.

Also (by request), petition of J. H. Bloom, editor of Devils Lake Journal, Devils Lake, N. Dak., favoring the zone system for second-class postage, and recommending the increase of such rates; to the Committee on Ways and Means.

Also, a resolution of the Pierian Club, Trinidad, Colo., protesting against this system and urging its repeal; to the Committee on Ways and Means.

By Mr. BLAND: Evidence in support of a bill to pension Joseph Bessi; to the Committee on Pensions.

By Mr. DALE of New York: Petitions of Louis Lowinson, New York City; Dunn & McCarty, Auburn, N. Y.; and Rose Bros., New York City, urging the passage of the daylight-saving law; to the Committee on Interstate and Foreign Commerce.

By Mr. DICKINSON: Petitions of R. B. Williams and 11 other citizens, H. H. Evisizer and 9 other citizens, of Butler, Mo., for the closing of all saloons and breweries for the period of the war, to save food, fuel, and man power; to the Committee on the Judiciary.

By Mr. FULLER of Illinois: Memorial of Irish Woman's Council, favoring an Irish Republic; to the Committee on Foreign Affairs.

Also, petition of Dr. Clifford E. Smith and 24 other physicians of Dekalb County, Ill., asking that physicians in the Medical Reserve Corps of the Army be given the same rank and percentage as in the Navy; to the Committee on Military Affairs.

Also, petition of the Chicago Woman's Club, opposing the zone system for second-class mail; to the Committee on Ways and Means.

Also, petition of L. W. Potter and 12 other citizens of Rockford, Ill., favoring the daylight-saving bill; to the Committee on Interstate and Foreign Commerce.

By Mr. MOORE of Pennsylvania: Resolutions of the Mount Pleasant Citizens' Association, approving Government operation of the Chesapeake & Ohio Canal; to the Committee on Railways and Canals.

By Mr. RAKER: Resolution of the Central Labor Council of Alameda County, Cal., in re Walter V. Wohelke, a German, who has attacked organized labor through the columns of Sunset Magazine; to the Committee on Labor.

Also, letter of C. A. Hawkins, of San Francisco, Cal., in re war cabinet; to the Committee on Military Affairs.

By Mr. TAYLOR of Colorado: Petition of citizens of Montrose, Colo., urging the enactment of war-prohibition legislation; to the Committee on the Judiciary.

By Mr. TEMPLE: Petition of the Hanover United Presbyterian Church, Beaver County, Pa., for national prohibition as a war measure; to the Committee on the Judiciary.

By Mr. VARE: Memorial of the Philadelphia Chamber of Commerce, asking for the passage of the daylight-saving bill; to the Committee on Interstate and Foreign Commerce.

#### SENATE.

TUESDAY, March 12, 1918.

(Legislative day of Friday, March 8, 1918.)

The Senate met at 12 o'clock meridian.

ALBERT B. FALL, a Senator from the State of New Mexico, appeared in his seat to-day.

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

The PRESIDENT pro tempore. The Secretary will call the roll.

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

Ashurst	Henderson	Nelson	Smith, S. C.
Baird	Hitchcock	New	Smoot
Beckham	Hollis	Nugent	Sterling
Calder	Johnson, Cal.	Overman	Sutherland
Culberson	Johnson, S. Dak.	Poinexter	Thomas
Curtis	Jones, Wash.	Pomerene	Thompson
Dillingham	Kellogg	Reed	Townsend
Fletcher	Kenyon	Robinson	Trammell
Frelinghuysen	Knox	Saulsbury	Underwood
Gallinger	McCumber	Shafroth	Vardaman
Gerry	McKellar	Sheppard	Walsh
Hale	McLean	Smith, Ariz.	Warren
Harding	McNary	Smith, Ga.	Watson
Hardwick	Martin	Smith, Mich.	Williams

The PRESIDENT pro tempore (Mr. SAULSBURY). I desire to announce that my colleague [Mr. WOLCOTT] is detained at home by illness.