

By Mr. HEATON: A bill (H. R. 9914) granting an increase of pension to George Joseph; to the Committee on Pensions.

By Mr. KEY of Ohio: A bill (H. R. 9915) granting an increase of pension to Harry E. Bryan; to the Committee on Pensions.

By Mr. MERRITT: A bill (H. R. 9916) granting a pension to Carl N. Hubley; to the Committee on Pensions.

Also, a bill (H. R. 9917) granting a pension to Stephen K. Hamilton; to the Committee on Invalid Pensions.

By Mr. STEVENSON: A bill (H. R. 9918) granting a pension to Zebulon R. Campbell; to the Committee on Invalid Pensions.

By Mr. SWITZER: A bill (H. R. 9919) to correct the military record of Darius Atkinson; to the Committee on Military Affairs.

By Mr. TAYLOR of Arkansas: A bill (H. R. 9920) granting a pension to Mary A. Himmah; to the Committee on Invalid Pensions.

By Mr. TOWNER: A bill (H. R. 9921) granting an increase of pension to Daniel Keene; to the Committee on Invalid Pensions.

By Mr. WASON: A bill (H. R. 9922) granting an increase of pension to Francis Roy; to the Committee on Invalid Pensions.

By Mr. WATKINS: A bill (H. R. 9923) for the relief of John McW. Ford; to the Committee on Public Lands.

By Mr. WHITE of Ohio: A bill (H. R. 9924) granting an increase of pension to John P. Bateman; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9925) granting an increase of pension to Thomas R. Thompson; 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 Irish-women's Council, asking for the recognition of the independence of Ireland in the form of an Irish republic; to the Committee on Foreign Affairs.

Also (by request), resolution of the Grand Army of the Republic, favoring legislation giving American citizenship to aliens who serve in the Army or Navy; to the Committee on Immigration and Naturalization.

Also (by request), resolution of the Grand Army of the Republic, requesting the enactment of legislation for the return of the remains of those soldiers and sailors who may die abroad; to the Committee on Military Affairs.

Also (by request), resolution of the Grand Army of the Republic, asking for the passage of a bill providing for the payment of pensions monthly instead of quarterly; also a resolution of the same organization, asking for increase of pension to Civil War Veterans and aid to blind veterans; to the Committee on Invalid Pensions.

By Mr. CARY: Resolution of the Twentieth Century Topic Club, asking for the repeal of the periodical postage provisions of the war-revenue act; to the Committee on Ways and Means.

By Mr. CLARK of Pennsylvania: Petition of Mrs. Margaret Walthausser, Mrs. Louise Lang, Mrs. S. Althof, and 18 others, praying for the passage of House bill 7995, for the preservation of the Niagara, Commodore Perry's flagship in the Battle of Lake Erie; to the Committee on Naval Affairs.

By Mr. DILL: Petition of citizens of Spokane, Wash., asking for the passage of House bill 5531; to the Committee on Military Affairs.

By Mr. ESCH: Papers in support of House bill 9838, granting a pension to Sarah Morrill; to the Committee on Invalid Pensions.

By Mr. FOSTER: Petition of citizens of Oblong, Ill., protesting against grading second-class postage on any zone basis; to the Committee on the Post Office and Post Roads.

By Mr. FULLER of Illinois: Petition of Dr. F. A. Eastman and 60 other citizens of Rockford, Ill., opposing the zone system for second-class mail; to the Committee on Ways and Means.

By Mr. GALLIVAN: Resolution of the New York Antivivisection Society, protesting against compulsory inoculation of soldiers; to the Committee on Military Affairs.

Also, petition of H. M. McLarin, president of the National Federation of Federal Employees, against the Borland eight-hour amendment; to the Committee on Agriculture.

Also, petition of George F. Washburn, president Massachusetts Real Estate Exchange, favoring legislation for Federal acquisition of railways and canals to transport coal from mines near coast to all points along Atlantic coast; to the Committee on Interstate and Foreign Commerce.

By Mr. HAMILTON of New York: Affidavits to accompany House bill 9841, granting a pension to Charles B. Carlson; to the Committee on Pensions.

By Mr. HILLIARD: Resolutions adopted by the Woman's Club of Racine, Wis., and by the New Century Club of Wichita Falls, Tex., urging the repeal of that section of the war-revenue act increasing postage rates on periodicals; to the Committee on Ways and Means.

By Mr. STINESS: Resolution of the General Assembly of Rhode Island, indorsing the daylight-saving bill now before Congress, and urging the Senators and Representatives from Rhode Island to give it their support; to the Committee on Interstate and Foreign Commerce.

By Mr. TILLMAN: Resolution of a mass meeting held in Fayetteville, Ark., expressing loyalty to and confidence in the administration, especially in its conduct of the war, and deploring that criticism of the war management which has been of a destructive character; to the Committee on Military Affairs.

SENATE.

SATURDAY, February 16, 1918.

(Legislative day of Friday, February 15, 1918.)

The Senate met at 11 o'clock a. m.

RAILROAD CONTROL.

The Senate, as in Committee of the Whole, resumed the consideration of 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. CUMMINS. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The Secretary will call the roll.

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

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|-------------|------------------|--------------|-----------|
| Bankhead | Henderson | Overman | Tillman |
| Chamberlain | James | Saulsbury | Townsend |
| Colt | Johnson, Cal. | Shafer | Trammell |
| Culberson | Johnson, S. Dak. | Sheppard | Underwood |
| Cummins | Jones, N. Mex. | Smith, Mich. | Vardaman |
| Curtis | Jones, Wash. | Smith, S. C. | Warren |
| France | Kellogg | Smoot | Watson |
| Gallinger | Knox | Swanson | Weeks |
| Hale | Lodge | Thomas | Williams |
| Hardwick | McCumber | Thompson | Wolcott |

Mr. JAMES. I wish to announce that my colleague [Mr. BECKHAM] is detained on official business.

The VICE PRESIDENT. Forty Senators have answered to the roll call. There is not a quorum present. The Secretary will call the roll of absentees.

The Secretary called the names of absent Senators, and Mr. McNARY, Mr. NEW, Mr. OWEN, Mr. POINDEXTER, Mr. REED, Mr. ROBINSON, Mr. SHIELDS, Mr. STONE, and Mr. SUTHERLAND answered to their names when called.

Mr. SUTHERLAND. I wish to state that my colleague, the senior Senator from West Virginia [Mr. Goff], is absent owing to illness.

Mr. FRELINGHUYSEN, Mr. ASHURST, Mr. HARDING, Mr. HITCHCOCK, Mr. KING, Mr. KIRBY, Mr. STERLING, Mr. MARTIN, and Mr. NORRIS entered the Chamber and answered to their names.

The VICE PRESIDENT. Fifty-eight Senators have answered to the roll call. There is a quorum present.

Mr. JOHNSON of California. I wish to announce that on Tuesday next after the routine morning business, with the consent of the Senate, I shall speak to the pending bill and the demonstrated necessity for Government ownership.

Mr. SMITH of South Carolina. Mr. President, it is very evident that for the time being at least the attention of Senators is given to certain hearings, investigations, and so forth, and Senators are going to committee rooms rather than appearing on the floor of the Senate. So it is almost impossible for us to keep a quorum here, at least to keep enough Senators here to justify business in debating the pending measure.

I wish to give notice now that on Monday next I shall make an effort to have some definite time fixed at which we shall get a vote on this bill. It seems to me that if the procedure we have followed up to the present is to be kept up, it might be a very good plan to adjourn the Senate until the work of the investigating committees has ceased.

Mr. THOMAS. Or adjourn sine die.

Mr. SMITH of South Carolina. As the Senator from Colorado suggests, it might be very well to adjourn sine die and let the business of the country be transacted in the committee

rooms. But be that as it may, it is useless to try to keep up this procedure that seems to be more or less a farce.

If the Senate is convinced as to the merits or demerits of this bill, I think we can conserve time and it would be of benefit to the country by bringing it to a vote. It is the most important measure that has been before this body in a generation or longer, and it is not receiving the attention that its importance entitles it to receive. I shall attempt to bring the matter to a close at the earliest possible time by a vote.

Mr. JONES of Washington. Mr. President—

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

Mr. JONES of Washington. I wish to suggest to the Senator that the very moment we agree upon a time to vote then we shall not have anyone here to listen to the discussion.

Mr. SMITH of South Carolina. Then it will not change the situation.

Mr. JONES of Washington. I wish to ask the Senator if he does not think it would be wise for the Senate to revoke the permission that we have granted committees to sit while the Senate is in session, especially when such an important measure as this is under consideration?

Mr. SMITH of South Carolina. I think that is a splendid suggestion, but I am still of opinion that if Senators would really realize—not know, for perhaps they do know, but realize—the importance of this measure and the importance of an early determination of it they could suspend some of the hearings. I am of opinion that we have gotten into the habit of paying more attention to something that is sensational than to the fundamental principles to which we as Senators ought to devote ourselves.

Mr. OWEN. Mr. President—

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

Mr. OWEN. I wish to make a suggestion to the Senator from South Carolina. If the Senate would agree that a certain number of hours should be set apart for the consideration of this bill, and the Senate would order the committees to withhold their hearings within that period, the Senate in that way might have the presence of its membership to hear the discussion, and especially if we should have an agreement that speeches should not exceed 30 minutes, so that the Senate would not be exhausted by very long speeches but would still be able to get the different points of view of Senators on the floor.

Mr. SMITH of South Carolina. The suggestions indicate that there is a necessity for having some understanding. So I give notice now that on Monday I shall make an effort to have some definite time fixed at which we can vote upon the bill.

Mr. VARDAMAN. Will the Senator allow me to make a suggestion?

Mr. SMITH of South Carolina. Certainly.

Mr. VARDAMAN. There are a number of subcommittees at work to-day. One of which I am a member will probably finish its work this afternoon. If the Senate should adjourn until Monday and the Senators are given notice that the rule permitting committees to sit during the session should be revoked for the purpose of inducing the Senators to attend upon the deliberations of the Senate pending the consideration of the bill now before the Senate, I think it would result in a full attendance Monday morning and meet with the approval of Senators generally. I realize the necessity for immediate action upon the pending bill. It is a measure of far-reaching importance and ought to be passed upon at the earliest possible moment, and the suggestion I have made is for the purpose of facilitating its passage.

Mr. SMITH of South Carolina. Mr. President, time is too precious to waste, I do not say waste any of the arguments, but to waste any more time in the process of getting to some kind of an end of this matter. I do not think that I shall ask for any adjournment until Monday. I will let the debate take its course, even though it requires Senators to speak to empty benches, and I repeat that on Monday I shall make an effort to have a day fixed for a final vote.

Mr. CUMMINS. Mr. President, I desire to say a word to the chairman of the committee before he takes his seat, in view of the notice he has given. There is no Senator who is more anxious than I am to facilitate the disposition of this bill, and no Senator deploras more than I do the fact that the majority of the Members of the Senate are sitting in committees where they think their work is imperative. But we shall have to choose between work in committees and work on the floor of the Senate. If Senators are free and do not choose to occupy their seats, that is a privilege that they must be permitted to exercise. But a very large part of the Senate is not free. It is sitting in committees considering important legislation, and

it is perfectly absurd and indefensible for the Senate to have under consideration a bill of this character and permit its important committees to sit for the consideration of measures which demand the attention of Senators elsewhere.

I have said this as a prelude to the suggestion that notwithstanding my great desire to speed the disposition of this bill there will be no unanimous consent to fix a time to vote upon the bill until there has been a fair opportunity to debate it upon the floor of the Senate, and there will be no fair opportunity to debate the bill until these committees cease their sittings and are at liberty at least to attend the sessions of the Senate.

Mr. OWEN. Mr. President, it seems to me in order to get the attention of Senators to the proceedings of this body it might be arrived at by setting apart a certain number of hours each day in which the bill would be debated and during which time the committees would be requested by the Senate not to sit but the Members to attend the sessions of the Senate. It is a very important bill, and I think Senators ought to debate it and ought to hear it debated; but without any plan it is obvious that the committees will go on as they have in the past, and if the members of those committees are not present to hear the discussion of the bill Senators feel that they ought to repeat things which they have said before as they get the different membership present. If we could get the Senate together to consider this bill within a certain number of hours each day, it could be debated to the satisfaction of every Member of the Senate and at the same time the Senate would really hear the discussion.

Mr. CUMMINS. That is precisely in the line of my suggestion.

Mr. OWEN. Can we not reach some plan?

Mr. CUMMINS. If the committees would meet in the morning and the Senate not meet until 2 o'clock and divide the day in that manner, it would be perfectly satisfactory, I am sure, to everyone. But without thinking of myself or of any other member of the committee, it is not fair to the Interstate Commerce Committee, to the chairman of the committee, who has devoted a great deal of time to this subject, to allow him to bring forward a bill and have it considered under such circumstances as to prevent any full or fair consideration of it.

If an arrangement can be made through which a day can be divided in that way, I shall be perfectly content; but I am not willing that the bill shall be voted upon with the greater number of Senators occupied in their committee rooms and so occupied that they can not possibly be here. I do not know whether or not they could get excused to come here to vote upon the bill. It may be that they might be relieved for that one act.

Mr. THOMAS. Mr. President, it seems to me we are wasting a good deal of time over a subject which, however long we may discuss it, will not amount to much. I think the attendance of Senators in the Chamber is just about as numerous when committees are not sitting as when they are sitting. I know of no manner in which Senators can be compelled to remain here unless we change our rules. We might close our cloakrooms, and possibly the restaurant, and by that means shut off all other places of entertainment and make those who are not attracted here by the speeches come here for want of a place offering better opportunities for entertainment.

The fact is that Senators do not and will not remain here during the discussion of important measures, except occasionally, and the sessions of the committees and the absence of those sessions neither of them in my judgment affects the average attendance of Senators upon the floor during the discussion of bills. So let us go on and discuss this measure and reach a vote as soon as we can.

Mr. NORRIS. Mr. President, there is a great deal of force in what the Senator from Colorado [Mr. THOMAS] has said. It may be that we would not have much of an attendance on the floor if committees were not in session, but there are Members of the Senate who want to hear this debate and who do have important committee hearings which they also desire to attend. There ought to be an arrangement, at least for those who want to hear the discussion, to be able to be here without neglecting some other important business.

I thought yesterday, when we took a recess until 11 o'clock this morning, it was breaking in without any notice on arrangements that had already been made for hearings before some committees at least; that if the Senate met at 11 o'clock it would interfere with those. I have no objection to meeting at 11 o'clock if some other arrangement is made about committee meetings or if we could have some notice that that was going to happen in a week from now.

I desire, however, to state what actually occurred this morning in the Committee on Agriculture. The Committee on Agri-

culture is having hearings which are vitally important, or I think they are vitally important, on the question of the conservation of food and production of food, which will go as far as anything else in winning this war. We have been meeting in that committee and running our sessions up until 12 o'clock, with those hearings. Yesterday the committee adjourned at 12 o'clock to meet this morning and expected to run until 12 o'clock. In the meantime the Senate took a recess until 11 o'clock. That meant that those hearings were interrupted. Members of the committee were over there—I was among the number— anxious to hear the most interesting discussion of a witness who was giving us some extremely valuable information as to the condition of the live-stock and the grain-producing sections of the country. Some of us at least wanted to be here. It is impossible, however, to be at both places at the same time. The Senate took its action after the committee had adjourned, and at 11 o'clock to-day there was before the committee a man from Oklahoma—

Mr. OVERMAN rose.

Mr. NORRIS. In just a moment I will yield to the Senator. The president of the Farmers' Union of the State of Oklahoma, one of the most interesting witnesses, a man who is well informed, was giving us in concise language valuable information, which every Senator would be glad to read if he could not be there and hear it; but when the Senate met at 11 o'clock we had to leave in the midst of his testimony. It was not fair to those who desired to get this information; it was not fair to those who desired to be present at the hearings and who also desire to hear this debate. Now I yield to the Senator from North Carolina.

Mr. OVERMAN. Mr. President, I desire to say, along the line of what the Senator from Nebraska [Mr. NORRIS] has been saying, that no notice was given of the intention of the Senate to meet at 11 o'clock this morning, and that in the Committee on Appropriations we had under consideration one of the great appropriation bills.

Mr. NORRIS. Exactly.

Mr. OVERMAN. At 11 o'clock, the usual time, not knowing that the Senate had taken a recess until 11 o'clock this morning, a meeting of the committee was called; but as soon as we got that notice, we adjourned the committee.

Mr. NORRIS. Exactly.

Mr. OVERMAN. There ought to be some notice of such intention on the part of the Senate, so that the chairmen of committees should be aware of it when they call meetings of committees.

Mr. NORRIS. Certainly. What the Senator says merely bears out what I have stated. I wish to say that the witness before our committee, to whom I have referred, had made arrangements to go away to-day, as he had a right to do, because we understood the committee would be able to continue in session until 12 o'clock, at least, yet because of the action of the Senate here yesterday all of these matters have been interfered with.

Mr. MARTIN. Mr. President, I merely wish to say a few words. I shall not occupy the Senate five minutes.

I think it is known to all Senators that the Director of Railroads is very much embarrassed by the want of the legislation contemplated by the pending bill. He called me over the telephone and told me that he was delaying matters; that the whole business of railroad traffic was impeded, hindered, and delayed because of the lack of legislation that was absolutely necessary for him to carry out the purposes for which the railroads were taken over. I think the primary consideration should be with the Senate to speed this bill. I think everything ought to give way for it, and that it ought to be kept continuously before the Senate. The debate ought to be allowed to proceed in order to reach a vote as early as possible.

I am not suggesting that there should not be debate. The bill is a very important measure and Senators ought to debate it. I am not attempting to suggest that it should not be debated, but I do suggest and I do appeal to Senators to give the fullest opportunity for debate in order to speed this bill to a final vote.

I do not myself believe that any time will be gained by undertaking to change the long-accustomed usages of committee meetings. Committees will adjourn to enable their members to be in the Senate when they can do so. The Appropriations Committee had the diplomatic bill before it this morning, and it adjourned the consideration of that bill in order that its members might be on the floor of the Senate to hear the discussion of the railroad bill. I think other committees will do the same. I do not believe it would be wise to change or attempt to regulate the hours of committee meetings. I think all we can do is to keep the railroad bill continuously before the Senate and to speed its passage as far as possible. I feel that that is urgently

important. I think if we will go along in the old beaten path Senators who want to be present and hear the debate can be here, just as the members of the Appropriations Committee adjourned their session so as to be present in the Senate Chamber this morning. I do not believe we shall gain any time by attempting to coerce committees by new regulations to which they are not accustomed. To just let the debate proceed, keep the bill before the Senate, and get a vote as soon as possible is what I think should appeal to every Senator on the floor.

Mr. CUMMINS. Mr. President, I recognize the difficulty of carrying forward a discussion of the apparently uninteresting subject proposed in the bill now before the Senate. It would be a fitting tribute to the occasion if some one of my distinguished associates upon the other side of the Chamber were to move for an adjournment in order that our minds might be composed and in order that we might gradually prepare ourselves for the consideration of the questions which are before us. I am not saying this in any malicious or ill-natured spirit, for I understand perfectly that for a little while at least it is necessary that most of the Senators shall be absent from the Chamber; and I premise what I have to say with the suggestion that if presently there are no great number of Senators who take any interest in this matter I shall move to adjourn until we are better prepared to discuss the vital things that are proposed in the bill.

Day before yesterday I listened with profound interest to the eloquent homily delivered by the Senator from Illinois (Mr. LEWIS), a distinguished member of the committee which reported the bill under consideration, upon liberty, justice, independence, the equality of opportunity, and the perpetuity of democracy throughout the world. What does it avail us to thrill, as we all did, under the utterance of these lofty sentiments unless we are willing to carry into legislation the principles which he so beautifully expressed? And I am waiting with a good deal of interest to see whether he and the other members of the committee who listened to him as I did are willing to enact justice as well as proclaim it.

Why should we erect a statue to liberty, to freedom, to equality, and then at once close and lock the doors to the opportunity declared by our forefathers, and to fortify which and to perpetuate which we are now summoning all the energy of all the people of the United States?

These abstract conceptions of democracy, of equality, of justice are recognized by all people and have been recognized by all nations during all times; but the difficulty has been that we arise from the worship of the shrine of these exalted conceptions and immediately proceed to enact injustice; not consciously, for I am not suggesting a conscious purpose on the part of any Senator or any Member of Congress to do injustice. I am only calling to your attention the fact that it is infinitely easier to eulogize justice, democracy, liberty, equality, than it is to enforce these noble sentiments through the legislation which alone can secure them for the people of the country.

A few hours ago I received a letter from a distinguished educator of my State, a man who, I am sure, feels none of the prejudice which is supposed to exist against wealth or property; and I intend to take the liberty to read it, for it is very brief. He says:

I understand the Senate will pass a bill guaranteeing the railroads an income equal to the average of the past three years. I know we do not do this for the men whom we drafted. Why are the railroads treated better than our soldiers? An answer will be appreciated.

How would you, fellow Senators, have answered the letter I have just read? How would you have distinguished the difference between taking the man from his ordinary avocation and the compensation which his energy and ability command and taking the property which he might have theretofore accumulated? There is a difference. But I mention the letter for the purpose of emphasizing the thought which is uppermost in my mind as we continue the consideration of the bill which proposes high compensation to the railroad companies whose properties have been taken over by the Government.

I answered him by saying that under our Constitution every citizen owed to his country, without compensation, without reward, his life if it became necessary to take it, but that under the same Constitution when the Government took property for the defense of the Nation it must pay just compensation for it. Whether this distinction can be defended in the court of original reason it is not for me to say, but it is pertinent here when we remember that we are about to offer compensation for railroad property of 10, 12, 15, and 20 per cent per year upon all the capital which the owners of the property have invested in its creation and construction. Whatever may be the necessities of warfare, and ours are very great at this time, there is nothing in our Constitution, noth-

ing in our traditions, nothing in our civilization, which warrants the compensation proposed in the bill before us.

I shall confine myself at this time to the question of compensation for the use of the property which the Government has taken over and is now operating. I intend to prove—and I use the words deliberately and reflectively—that the compensation proposed in the bill is about \$200,000,000 annually more than it ought to be, more than it need be, in order to fulfill the highest standard of the law and of the Constitution.

The bill proposes that the Government shall remain in possession of the properties of which it has assumed control for 18 months after the war shall have ended. None of us can predict with certainty the period of the war, but it is conservative, I think, to suggest that the bill means Government possession and operation for at least four years. The aggregate overpayment which this measure offers is, therefore, about \$800,000,000. I intend to show that this vast sum is to be taken each year from the people, who are already overburdened, and to be given to the railway corporations without a shadow of right, reason, or justice.

There is but one precedent in all history for the proposal contained in the first section of the bill now before the Senate. It will be found in the Scriptures, and may be thus quoted, although I am not entirely sure of the literal accuracy of the quotation; but somewhere in the Holy Writ it is said—not approvingly, I am glad to know—

To him who hath shall be given, and from him who hath not shall be taken away, even that which he seemeth to have.

Mr. ROBINSON. Mr. President, I would ask the Senator from Iowa if he is sure of the accuracy of his Scriptural quotation, if he is attempting to quote Scripture?

Mr. CUMMINS. I said that I was not absolutely sure of the literal accuracy of the quotation, but I will risk something upon its substantial accuracy.

Mr. KNOX. Mr. President—

The PRESIDING OFFICER (Mr. STERLING in the chair). Does the Senator from Iowa yield to the Senator from Pennsylvania?

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

Mr. KNOX. If the Senator will yield to an expert upon the subject, I will give him the quotation accurately.

Mr. CUMMINS. There is no man in the Senate to whom I would appeal more readily than to the Senator from Pennsylvania in order to know just what the Bible says upon any question.

Mr. KNOX. That is a just acknowledgment, which I very much appreciate; but the concluding line of the passage which the Senator from Iowa has quoted is "from him shall be taken away even that which he hath." The word "away," I think, is used, but the word "seemeth" is not in the quotation.

Mr. CUMMINS. I felt that way, but I might as well confess now to the Senator from Pennsylvania that I have recently read that verse of the Scriptures, and I think the word "seemeth" is in the verse.

Mr. KNOX. Mr. President—

Mr. CUMMINS. I am afraid the Senator from Pennsylvania has not read the modern version or the modern translation of the Bible. I am afraid since his boyhood he has not consulted that Book very much or he would know that the word "seemeth" is there.

Mr. KNOX. I should like to say, Mr. President, that I not only insist that I am correct, but that I would not have ventured to have undertaken to correct the Senator from Iowa if he had not just a few moments ago disavowed that he had recently looked the quotation up.

Mr. CUMMINS. I did not disavow that.

Mr. KNOX. That was the impression made on my mind.

Mr. CUMMINS. I said I was not sure of the literal accuracy of my quotation. Mr. President, might I ask the Secretary of the Senate to produce his Bible, and to read that verse in the Scriptures?

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

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

Mr. CUMMINS. I yield to the Senator from North Dakota.

Mr. GRONNA. I think the Senator from Iowa might have said that this was stated by the Master in the Sermon on the Mount; and while the Senator from Pennsylvania (Mr. Knox) is correct according to the Gospel of St. Matthew, the Senator from Iowa is correct according to the Gospel of St. Mark.

Mr. CUMMINS. Mr. President, it is evident that the Senator from Pennsylvania never got further than the first book of the New Testament. It really is an unimportant thing, but I should be very glad if the desk would give to the Senate the full and accurate version of this quotation.

The PRESIDING OFFICER. The Chair will say to the Senator from Iowa that the Senate seems to be without a Bible.

Mr. CUMMINS. No matter, Mr. President, what the variation in memory may be with regard to the Bible, the thought is that it is the way of the world to give to those who have and to take away from those who have not the little they are struggling to keep. It is from that standpoint I mention the only precedent of any high authority for the proposal made by the majority of the committee.

Mr. SMITH of South Carolina. Mr. President—

The PRESIDING OFFICER. Does the Senator from Iowa yield to the Senator from South Carolina?

Mr. CUMMINS. I yield to the Senator from South Carolina.

Mr. SMITH of South Carolina. If the Senator will allow me, in behalf of the committee and for myself, before he begins a discussion of the proof that we are likely to pay or that we are going to pay the railroads \$200,000,000 annually more than they are rightfully entitled to, I presume he means by that that we are now going to continue to allow the roads to earn out of their property \$200,000,000 that they have been earning and have not been forbidden by any law to earn and by any process to earn any less, and that the proof which he will bring is, in effect, that for all the times of peace up to this emergency they have been earning that amount or a pro rata amount upon the property.

Mr. CUMMINS. Mr. President, the Senator from South Carolina has a glimmering, at least, of the thought in my mind, although he does not express it just as I should. I think he will clearly perceive the basis of the statement I made a few moments ago as I proceed with my argument, and I tell him now, and I tell the Senate now, that every fact which I shall use upon the point just made will be found in tables that have been prepared by and been furnished to me by the Interstate Commerce Commission or the statistical bureau of that body, with this exception, that I take one fact from the report of the majority of the committee, now so ably represented by the Senator from South Carolina.

Mr. SMITH of South Carolina. I should like to ask the Senator just a question. The Senator can not say, and he is not saying, that the committee in this proposed law is allowing the railroads \$200,000,000 annually more than they were making before this war period?

Mr. CUMMINS. I do not.

Mr. SMITH of South Carolina. That is the point I was making.

Mr. CUMMINS. I do not make any such assertion, although I may accompany what I said with the statement that, in my judgment, we are allowing the railroads nearly \$200,000,000 more than they would earn during the next few years if the property were to remain in their possession and under their control.

Mr. President, the question presents an issue so big in principle and so tremendous in consequences—for its consequences are not confined to the mere payment of the money, vast as the sum is, during the period of Federal control—that no Member of Congress can escape it. No matter what we may do here, it will be settled finally in the highest forum of a free country.

Although I am conscious that I repeat some things that have already been said, in order to preserve continuity, I refer to the way in which the question arose and the manner in which it comes before this body. In 1916, as a part of the military appropriation bill of that year, we passed a provision which authorized the President in time of war to take possession, to assume control, and to operate the systems of transportation in the United States in order to more effectively prosecute the war. Let it be distinctly understood as I proceed that I have no criticism of that legislation; it meets my hearty approval, as it did when it was adopted by Congress. Let it be also understood that I have no objection to the act of the President in taking possession of the railroads of the United States. I am willing, and I am desirous, of making that control as effectual and as complete as it is possible to make it.

The Senator from Minnesota [Mr. KELLOGG] yesterday recited very graphically, and I think very correctly, the things that had been accomplished by the railway companies in order to make their properties more efficient since the war began. There is not a single word which he uttered respecting the loyalty of the railway managers and their sincere desire to render all the assistance which they could render to the Government in its hour of peril to which I do not heartily subscribe. I think that the railway managers of the country from the 7th of April, 1917, until the 28th of December of that year when they were relieved of their responsibility by the action of the Government, accomplished almost a miracle in the better use and in the

higher coordination of the transportation facilities of this country in order to meet the imperative and supreme needs of the Nation.

At the same time, I was of the opinion from the beginning—and observation and experience have only strengthened the conviction which I entertained—that it was not within the power of the railway companies to do the things which this country required to be done under the conditions which confronted and surrounded us. If there had been nothing more in the problem than the mere handling and movement of engines and cars, I agree with the Senator from Minnesota that the organizations already in charge of these great enterprises could have handled and moved the cars and the traffic more efficiently than it is possible for the Government to do in the first hours of the transition, because there is a confusion incident to the change which only time can remove, and some of us are not sure that even time will obliterate the difficulties and embarrassments under which the Government must act. But there was one obstacle, fatal, insuperable, which the railway management could not overcome; there was one thing which the railway companies could not do, no matter how loyal their officers and managers were and no matter how efficient they might have been. That thing was the operation of the transportation instrumentalities of this country as a unit. That obstacle was the impossibility of treating the railroads of the United States as a single system, ignoring all corporate interest or selfish advantage. It could not have been expected and, of course, was not accomplished. Nor could the obstacle have been overcome by the repeal of the antitrust law with regard to the railroads, nor by the repeal of the antipooling provision of the interstate commerce act, because, even if the railway companies had been free to agree with each other respecting the disposition of traffic, the movement of trains, and the division of earnings, there still would have remained the natural, the inevitable desire upon the part of those who were responsible to the bondholders and stockholders of any given company to work for them as against the whole world. There was but one way to mobilize all the transportation facilities of the United States, and that was to brush aside, to eliminate every interest which the railway companies had, except the interest to serve their country.

It is for this reason that I stated in the minority views which I had the honor to present, that my only criticism of the administration was that it had not taken possession of the railroads of the country immediately after the declaration of war, precisely as Great Britain did. Great Britain entered the war on the 3d or 4th day of August, 1914, and on the same day or the day following the Government took possession of all the railroads of Great Britain. I modify that by saying all the railroads of England, Scotland, and Wales, and within a few weeks thereafter assumed the same possession of the railroads of Ireland. Great Britain knew, just as we ought to have known, that when it was desired to put into the service of the Government, shorn of every other interest, all the transportation facilities of a great country, we must remove an obstacle which could not be removed by the voluntary arrangements or agreements of the railroad companies themselves. I would have been far better satisfied if on the 8th day of April, 1917, the President had done what he did upon the 28th of December, 1917, for, if the transfer had then been accomplished, some of the chaos which is incident to a change so mighty in its character could by this time have been overcome, and we would be enjoying at this moment a more efficient transportation service than we now enjoy.

I think, too, that it is to be regretted that in the act of taking the railroads the proclamation of the President, which evidenced the purpose of the Government, was not more specific and definite. We do not know what railroads have been taken over.

There is no human being who knows how much of the 250,000 miles of American railways is now in possession of the Government. There has been no action on the part of the Government with respect to any one system or any one railway that has not been taken with regard to every railway in the country; and the director general declared before our committee that the notices, giving an account of the President's proclamation, which were sent out to all the railway companies of the United States, were not to be construed as a declaration upon the part of the Government that the companies or railroads to which these notices were sent had been taken over. Nobody knows at this moment whether the 1,800,000 men who are now operating these properties are working for the Government or are working for their respective corporations. Nobody knows whether the millions of dollars which are pouring every day into the treasuries of these companies belong to the United States or whether they belong to the railway corporations. There is great danger of a destruction of the morale of the service in view of this unfortunate uncertainty.

I mention these things, Mr. President, not for the purpose of arraying myself in opposition to the administration with regard to its action in the matter, but as expressive only of my regret that the action was not sooner taken and was not more certain and definite in its character.

Mr. KING. Mr. President, will the Senator yield to me for a moment?

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

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

Mr. KING. It is rather presumptuous upon the part of a Senator who is not a member of this important committee and who has not had the advantages that have accrued from listening to the testimony offered in the hearings to make any suggestions with respect to the question which the Senator is now discussing; but does it not seem to the Senator that his criticism of the taking over of all of the railroads and his suggestion that the morale of the service is now deleteriously affected is rather unfair and unwarranted? Could the President have acted other than in the manner in which he did act? Was it not better, and was it not the only way, to take all of the railroads, and then, by a policy of exclusion, remit to private management and control again those that were found to be unnecessary for the public defense?

As I understand, if the Senator will pardon me further, in taking over the roads there has been no attempt to interfere with the management of the roads. Directors, presidents, and superintendents have been left in control, and the employees are as they were prior to the 26th day of December, 1917. There is a constructive possession by the Government, not an actual physical one, and nothing has been done by the Government to interfere with the operation of the roads under the control of those who in the days and years passed have been controlling and operating them. So I ask does not the Senator think that his criticism is rather too severe in respect to this course of procedure?

Mr. CUMMINS. It might be said, Mr. President, that my criticism is immaterial, but it is not severe. The Government knew or, from my standpoint, ought to have known when possession was taken of the transportation systems of the country, that they must all be taken. It is a figment of the imagination, I think, to insist that the Government may go forward gradually and ascertain just which of these railroads it desires to continue to operate. If the Government were taking possession of the railroads for military purposes only, there would be much weight in the suggestion just made by the Senator from Utah; but the Government has taken possession of these railroads for all purposes. The direct service to the Government is very small as compared to the service rendered in general commerce. General commerce must go forward. It must continue unabated, and we hope with accelerated vigor. All the railroads, or all the competitive railroads at least, are necessary in order to carry this commerce; and I am not a believer in the theory which apparently prevails in some quarters that the Government ought to take possession of a little part or even a large part of the entire system and exclude a great number of properties which depend for their existence and for their maintenance upon the continued relation with the properties that may be taken over by the Government. That is a difference in view.

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

Mr. CUMMINS. I yield to the Senator from Arkansas.

Mr. ROBINSON. In order that I may get more accurately the viewpoint of the Senator from Iowa on this subject, does the Senator feel that the Executive should be required to take over a road or a system that he does not need?

Mr. CUMMINS. I do.

Mr. ROBINSON. The Senator is aware of the fact that in some sections of the country—in many large areas, perhaps—there is not that pressing need for Federal control and operation of railway lines that exists in the East; and the Senator feels that if the President takes over one railroad he should be required to take over . . .? Do I understand the Senator correctly?

Mr. CUMMINS. No. The Senator from Arkansas knows my view upon that subject—

Mr. ROBINSON. I am not sure that I do.

Mr. CUMMINS (continuing). Because I have introduced an amendment which covers my thought in the matter. I do not want to discuss that amendment at this time.

Mr. ROBINSON. I understand.

Mr. CUMMINS. I referred to the action of the President in a purely preliminary way, in rather a historical way.

Mr. ROBINSON. If a road is constructively taken over—and I think the Senator will understand what I mean by that—notice is given that it is taken over, but no interference is in fact put into operation by the Executive. In that case would any legal damage accrue to that railroad by reason of the alleged constructive taking over?

Mr. CUMMINS. I do not think any legal damage occurs.

Mr. ROBINSON. Then what would be the harmful effect of giving the Executive the opportunity of making the necessary investigation to satisfy himself as to just what lines are needed, if the constructive taking of the property does not work any legal damage to the railroad?

Mr. CUMMINS. Mr. President, I attempted to say a few moments ago that I thought the railroad systems of this country must be considered as a unit when the Government is operating them, and that is the one reason which made it necessary for the Government to take them from the possession of their owners and submit them to public operation. If that reason did not exist, then, in my judgment, the President has acted without authority.

Mr. ROBINSON. If I correctly understand the Senator's viewpoint, it is that if the Executive takes a line of railroad he should also be required to take all competing lines.

Mr. CUMMINS. That is my opinion. I do not intend to discuss that in connection with section 1, however.

Mr. ROBINSON. I understand. I only asked the Senator that question because at this time he was, as I construed his remarks, criticising the Executive for the manner of the taking.

Mr. CUMMINS. I am sorry that a mere expression of difference of opinion with regard to the best way in which to have proceeded is to be construed as a criticism. I do not look upon it as a criticism. I do not want to stand in the attitude of criticising a policy in which I thoroughly believe; but I hope I may be at liberty, without offense, to express the notion that it would have been more effective and more just if the action of the Government had covered the properties which are necessarily affected by the action.

Mr. ROBINSON. I will say to the Senator, and then I will not interrupt him further on this point, that my use of the word "criticism" was exactly in that sense. I assumed that the statement that the taking over could have been accomplished in another way was at least an implied criticism; but I did not use the word "criticism" in any objectionable sense, and, of course, I concede the Senator's right—

Mr. CUMMINS. I hope the Senator from Arkansas will understand that all I am trying to do is to reach the truth of this matter, and that I intend to treat every difference of opinion with the utmost toleration. I so often need indulgence of that kind myself that I am not inclined to bear very hardly upon those who may differ from me about it.

Mr. ROBINSON. I hope I have not said anything to imply that the Senator from Arkansas has any other desire or any other purpose in connection with the matter. I concede the Senator's right and his duty to express his views.

Mr. CUMMINS. Passing from the act of 1916, which is the origin of the authority which has been exercised by the President, permit me to say, Mr. President, that the next visible step taken in this course was in the proclamation of the President, issued, I think, on the 28th day of December, 1917. I have already indicated my view of that act on the part of the President. I think he had reached a time or confronted conditions of a character which made it absolutely necessary to do the thing which he did; and the logical outcome of the thing he did was to take possession of the entire transportation system of the country, because he proposed, and the Government now proposes, to render general service to the people of the United States in the transportation of their persons and their properties, entirely removed from the mere prosecution of the war or the transportation of war material.

Having introduced it in this way, I call your attention to the first section of the bill, for it is this section which gives rise to the question I am discussing. The part of it upon which I desire to comment reads:

That the President, having in time of war taken over the possession, use, control, and operation (called herein Federal control) of certain railroads and systems of transportation—

I beg you to note that the word "railroads" is not in the act of 1916. It is not in the proclamation of the President. It is not in the statement issued by the President which accompanied the proclamation. It was inserted in the bill by the Committee on Interstate Commerce, and I think very unfortunately inserted. I might as well explain it now, although it has nothing to do with the compensation that is to be agreed

upon between the railroads and the country. It is unfortunate because it permits a railroad which is owned and controlled by another railroad to enter the Court of Claims and secure what the Constitution denominates just compensation for the use of that particular road, although it has been fully compensated for in dealing with the system of which that railroad is a part.

As an illustration, take the Union Pacific road as the system, and the Oregon Short Line Railroad as one of its parts. The Union Pacific Railroad owns the stock of the Oregon Short Line. There may have been a recent consolidation; I do not know. It owns practically all of the stock of the Oregon Short Line. So far as the business done over the continuous rails which stretch from Omaha to Portland is concerned, the Union Pacific can determine just what division of those earnings shall be made. It can give the Oregon Short Line a mileage division, or it can give it a larger or a lesser part of the earnings upon through business, and substantially all of the business is of that character. The Union Pacific enters into an agreement with the Government under the standard that is here proposed, reaping the full benefits of the earnings of all its properties. The Oregon Short Line says: "We will not enter into any agreement with the Government. We will appeal to the condemnation tribunal here created, and finally to the Court of Claims, and secure an award with respect to the value of the use of our properties," although every beneficial use of that property has passed to the Union Pacific, which has already entered into an agreement with the Government.

Mr. KELLOGG. Mr. President—

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

Mr. CUMMINS. I yield.

Mr. KELLOGG. I should like to ask the Senator from Iowa if it is not a fact that the committee inserted the word "railroads" in order to cover a case of this kind: There may be some single short-line railroad not connected with any interstate system of roads, and the committee thought it would be wise to use the word "railroads" so that if the President saw fit to take over that line the President could do it. It was not put in there, as I understand, for any purpose of the kind now mentioned by the Senator, and this is the first time I have ever heard that mentioned. Is it not a fact that in the case mentioned by the Senator—the case of the Union Pacific and the Oregon Short Line, the President is not obliged to make any arrangement with the Union Pacific unless the Oregon Short Line comes in as a part of the system, and the roads have no rights whatever that the President is not willing to give them?

Mr. CUMMINS. Mr. President, I entirely acquit the committee of any design to enhance the sum which we are called upon to guarantee to the railway companies by the introduction of the word "railroads"; and I am quite willing to accept the view just stated by the Senator from Minnesota as to the reason in the minds of the members of the committee when that word was inserted. I only say that it is capable of indefinite abuse. When you remember that the Pennsylvania Railroad Co., for instance, has within it more than a hundred railway corporations—I think I am very much beneath the number, possibly—when you remember that the Great Northern and the Northern Pacific own all the stock of the Chicago, Burlington & Quincy Railroad Co.; when you remember that the Southern Pacific Railroad Co. controls, through stock ownership or leases, practically all the railroads in the southwestern part of the country, you can easily see how the use of a word of this kind, employed for a perfectly proper purpose, may be used for a very improper purpose. I was only commenting on it as I passed, because I think before we have finished the bill we ought in some way to limit the compensation of these properties which are parts of a system already under an agreement with the Government.

I proceed with the reading, although I am bound to say that I think when the Senator from Colorado [Mr. THOMAS] in 1916 used the term "systems of transportation" he had a more accurate and comprehensive view of the thing to be accomplished than the Senators who put into the bill subsequently the word "railroads."

That the President, having in time of war taken over the possession, use, control, and operation (called herein Federal control) of certain railroads and systems of transportation (called herein carriers), is hereby authorized to agree with and to guarantee to any such carrier making operating returns to the Interstate Commerce Commission that during the period of such Federal control it shall receive as just compensation not exceeding an annual sum (herein called standard return), payable in reasonable installments, for each year and prorata for any fractional year of such Federal control,

equivalent as nearly as may be to its average annual railway operating income (including therein such income of lines acquired by, leased to, or consolidated with such carrier between July 1, 1914, and December 31, 1917) for the three years ended June 30, 1917, and in addition thereto an annual sum payable likewise in reasonable installments reckoned at a rate per centum to be fixed by the President upon the cost of any additions or betterments, less retirements, or road extensions, made during the six months ended December 31, 1917.

It is, Mr. President, to the standard of compensation declared in that part of the section which I have read to which I especially object. I happened to receive a few days ago a circular letter issued by Carpenter & Co., of Washington. It is typical of a great many circular letters that are being issued concerning this bill and I want to read a very little part of it. It begins:

DEAR SIR: If you contemplate investing in any of the standard railroad or industrial stocks on the New York Stock Exchange, the inclosed list, showing present and past earnings, will no doubt be very interesting.

There is every reason to believe that the legislation outlined by President Wilson will be carried into effect at an early date and earnings of railroads guaranteed as indicated by the double stars, consequently such roads as Union Pacific, Reading, Atchison, Great Northern, Northern and Southern Pacific are particularly attractive.

I need not read more of this letter, and I produce it only for the purpose of showing the effect which this proposed legislation is producing in the minds of those who are interested in the selling and buying of railway securities.

Mr. KELLOGG. Mr. President—

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

Mr. CUMMINS. I yield to the Senator.

Mr. KELLOGG. I should like to ask the Senator if he thinks a circular letter sent out by a broker to sell stock is a fair piece of evidence to submit to the Senate as to the reasonableness of any bill?

Mr. CUMMINS. The letter that I submit is perfectly fair, for I shall prove before I am through that all the statements made in the letter and in the circular attached to it are based upon irrefutable facts, and after all it is the public estimate of what given legislation will do for a particular interest that is valuable when we come to consider the public mind. Attached to this letter there is a circular which is dated New York, January 25, 1918. It is headed:

The record below of earnings includes those of many railroad issues to date. The double stars after figures given indicate the net earnings that would be allowed if plans now carried by bills pending in Congress on railroad control are finally approved.

I may say here that the bill before us has increased to some extent the guarantee proposed by the railway companies as compared with the bill which was originally introduced.

Atchison—

Meaning the Atchison, Topeka & Santa Fe.

Mr. WATSON. If the Senator will yield—

Mr. CUMMINS. Certainly.

Mr. WATSON. In regard to that statement, I presume the Senator refers only to the increment between June 30, 1917, and December 28, 1917.

Mr. CUMMINS. It is to that part to which I refer, and I am not criticizing that part of it either.

Mr. WATSON. No, I understand.

Mr. CUMMINS. But nevertheless it is a fact that the compensation has been increased since the bill was introduced.

The Atchison is dignified and distinguished by two large stars, which declares that its earnings upon stock as guaranteed by this bill will be 12 per cent. The Baltimore & Ohio has also two stars after its name, and it is said that the guaranteed earnings will be 7 per cent; the Chicago & North Western, also designated by two stars, earnings 10 per cent. This is of course upon capital stock. The Chesapeake & Ohio, 8 per cent; the Delaware & Hudson, 11 per cent; Great Northern, preferred, 10 per cent; Illinois Central, 11 per cent; Louisville & Nashville, 15 per cent; Norfolk & Western, 14 per cent; New York Central, 11 per cent; Northern Pacific, 10 per cent; Reading, 9 per cent; Southern Pacific, 11 per cent; Union Pacific, 14 per cent. There are others of less consequence which I need not read.

Mr. President, I can not agree with the Senator from Minnesota that estimates of the character I have just read are either immaterial or unimportant. There are no shrewder—

Mr. WOLCOTT. Mr. President—

Mr. CUMMINS. I will yield in just a moment. There are no shrewder or more intelligent observers in the country than those who are engaged in the business of buying and selling railway stocks, and when it is known that Wall Street looks upon this bill from the standpoint I have just indicated we may be very sure that the country at large will view it in

practically the same way. I now yield to the Senator from Delaware.

Mr. WOLCOTT. Mr. President, as illustrating what seems to me to be the utter unreliability of such a statement, gotten up by stock brokers who may be actuated by a purpose to bull a certain line of stock, I should like to call to the Senator's attention something that came under my observation, I think it was last year. I used to curiously follow some of these estimates and see how they panned out. I recall that one railroad was for weeks listed in such a circular as earning 8 per cent on its stock. I observed when the actual report got out that the railroad was earning 1 per cent. The experts in that case were about 7 per cent off.

Mr. CUMMINS. The Senator from Delaware is very unfortunate. I suppose he was easily misled. I said a moment ago I intended to prove that these statements were correct by the reports of the Interstate Commerce Commission, and while in some instances there is a slight variation, in some instances they are a little too high and in some instances they are too low. I instance it only to show that upon the basis that we are preparing for this country those who are to deal in these stocks in the future understand what we are doing for the railway companies. I have not as yet come to that part of my argument in which I shall attempt to analyze whether we ought to pay them 10, 12, 15, or 20 per cent or not. I will come to that a little later on, but I am trying to hammer in, if I can, and if it can not be hammered in before an uninterested Senate it will be hammered in before an interested country, that in time of war, in time of dire distress, in a time when every man must give to his country all he has and all he is, when unselfishness ought to prevail, we are proposing to give to the railway corporations of this country a reward upon their capital stock never before dreamed of in the avarice of public utility capital.

The Senator from Minnesota [Mr. KELLOGG] said, and said correctly, that this bill does not require the President to make an agreement with each railroad employing the standard which we authorize. Technically, Senators, that is true. Practically, it is a direction to the President to make agreements with these railway companies upon the basis which we are here establishing.

We all know the atmosphere which surrounds the whole subject at this time. We are told that the railway stocks and the railway bonds must be strengthened and fortified in the markets of the country. We are told that the confidence of the people in their soundness must be increased and deepened. We are told that if the railway companies were compelled to resort to legal proceedings in order to ascertain the just compensation for the use of the property the financial and commercial fabric of the country would totter and fall, and we were told before the committee in substance that if we did not enter into contracts of this character with the railroad companies they would resort to legal proceedings; that the only way in which we could secure the cooperation of the railway companies of the country was to establish the standard that is proposed in this bill. I have no doubt, although I do not know, of course, that they have communicated the same purpose to the President and to the Director General. Personally, I do not accept their statements in that regard. Personally, I believe that if we would offer to them fair and just compensation, so that they must endure some of the consequences of the war and incur some of the perils and the hazards of the greatest disaster that ever fell upon mankind, they would accept it as loyal citizens, convinced that a lesser compensation than the bill proposes is, under the circumstances, fair and just. But whether they would or no affects me not at all. I desire to offer to them and pay to them a compensation that will be the full measure of the Constitution, the full measure of equity and justice and fairness as between the people who are to pay the money and the people who are to receive it; and when such an offer is made I believe that the railway companies will accept it. But they will take, of course, all they can get. That is one of the attributes of human nature, and we must not expect any other attitude on their part.

Recurring to the suggestion that this is but an authority to the President not to exceed a compensation ascertained in the manner described in section 1 of the bill, I desire to show, if I can, what the President's view is about it. I have no disposition whatever to conceal the authorship of this part of the bill. As reluctant as I am to differ from the President in this respect, my duty compels me to differ and I desire that Senators shall know that the President has become convinced that this is the proper standard of compensation. In his proclamation through which he assumed the possession and control of the properties he said—this is dated December 26, 1917—

The director shall, as soon as may be after assuming such possession and control, enter upon negotiations with the several companies looking to agreements for just and reasonable compensation for the possession, use, and control of their respective properties on the basis of an annual guaranteed compensation above accruing depreciation and the maintenance of their properties, equivalent, as nearly as may be, to the average of the net operating income thereof for the three-year period ending June 30, 1917; the results of such negotiations to be reported to me for such action as may be appropriate and lawful.

In the statement of the President which accompanied the proclamation he said:

Immediately upon the reassembling of Congress I shall recommend that these definite guarantees be given: First, of course, that the railway properties will be maintained during the period of Federal control in as good repair and as good equipment as when taken over by the Government; and, second, that the roads shall receive a net operating income equal in each case to the average net income of the three years preceding June 30, 1917.

In his message to Congress which followed shortly thereafter the President repeated this view and explicitly recommended that he be given authority to agree with the several railway companies so that each of them will receive an income ascertained according to the standard described both in the proclamation and the statement.

With this history of the development of the matter there can be no question with regard to the views of the President respecting compensation, and I assume that if the authority here expressed be granted he or the Director General will enter into agreements with these railway companies guaranteeing to them the net income which I have described. It is utterly impossible for him to differentiate between the railroad companies. It would take as long for the President to ascertain what is just compensation for each of these properties as it will require the Interstate Commerce Commission to do the like thing. We all know that when this bill is passed, if it is passed in its present form, there will be a general offer to the railway companies of an agreement to pay the sums of money ascertained in the manner set forth in the first section of the bill, and some of the railway companies will accept the offer, and that will constitute the agreement between them and the Government.

Mr. President, it is not agreeable or pleasant for me to differ from the President in this or any other matter. I understand the weight of the burden which he is bearing. I can appreciate the responsibilities which now rest upon him, and the Lord knows that I have no other purpose in my heart than to be of the utmost assistance to him in the cruelest hour through which mortal man ever lived. But it seems to me that I can best help him to bear his responsibilities by bearing my own.

This is not an Executive function. This is a legislative question originally, and the man who blindly follows the recommendation of the President, granting to him all the deference that we can pay and ought to pay to our leader in this great conflict, and repudiates his own sense of justice upon a question which is not for the President to decide but for us to determine, is not only false to his duty to the people of this country, but he is shrinking from a responsibility that his oath imposes upon him.

Whenever the President in a matter which pertains to the military movements and the military preparation of the United States in order to successfully carry on the war puts his judgment before me I shall follow it, unless I am so clearly convinced of its unsoundness as to make it impossible to accept it. It is not only my desire, but it is my highest pleasure to do so. But with regard to the compensation which shall be paid for these properties, of which he is already in possession and which he is already operating, and of which he will continue to hold possession and continue to operate, my judgment can not be influenced by his. The compensation has no reference to the prosecution of the war. Whether we give the railway companies a billion dollars in round numbers, which is here proposed, annually for the use of their property, or whether we give them \$750,000,000 or \$800,000,000 annually, as I propose, can not in the slightest degree affect the strength of the United States in the war.

If I believed that the President knew more about the subject than the Members of the Senate know I might feel differently. But here are Senators who have given a score of years or more to the study of these economic problems, and it is no reflection upon the President or upon the Director General to declare that the Senate knows more about adequate compensation for the use of the railroad properties of this country than either of them can know. There is no disloyalty to the President in considering this subject from an independent standpoint, and I, at least, must so view it.

The Senator from South Carolina [Mr. SMITH] in opening this discussion indicated that those of us who felt that the compensation proposed in the bill was excessive were endeavoring to introduce some new or untried theory in public affairs. Mr. President, I can not so look upon it. The only new, untried

thing is the standard of compensation proposed in the bill. Never before in the history of economics has a suggestion of that kind been made with regard to public utility property. I modify that statement because that is the basis upon which Great Britain is operating and rewarding her railroad properties.

I might just as well turn for a moment to Great Britain, although I shall deal with it more in detail later, in order that we may know what Great Britain did and what her action accomplished for her railway property. The day after the war Great Britain took over the possession of her railroad property. There was no agreement made at that time between the Government of Great Britain and the railroads of Great Britain. No one suggested making any agreement between the public and these railway companies.

Mr. THOMAS and Mr. WATSON addressed the Chair. The PRESIDING OFFICER. Does the Senator from Iowa yield, and if so to whom?

Mr. CUMMINS. I yield first to the Senator from Colorado. Mr. THOMAS. I wish to inquire whether the action of Great Britain was not based upon a preexisting statute?

Mr. CUMMINS. It was based upon the statute of 1871. I now yield to the Senator from Indiana.

Mr. WATSON. I wish to ask the Senator from Iowa if his statement does not cover the time previous to the taking over, and if shortly after the taking over they did not arrive at an agreement as a basis of compensation?

Mr. CUMMINS. No; as I understand the record made there, and as it was introduced before our committee, the consent of the railway companies of Great Britain with regard to compensation was not asked. The act of 1871 under which the Government took possession of the railroads in 1914 was not substantially different from our act of 1916, and made no provision for compensation other than the general statement that when the power exercised under it did take place the compensation was to be made. When on the 4th day of August, I believe, 1914, the council in Great Britain determined it was necessary to take over the railroads and they were taken over, the operating body, the directors appointed by the law, and who were in existence at the time they were taken over, simply published a statement that for the week following—and I want to mark that because it is one of the things that we will presently have to consider in this bill—for one week the Government would take over the railroads of the country and would pay or guarantee the net income for 1913; that is, guarantee the net income that was earned in 1913 with some modifications that were to be made by a consideration of the earnings for the first six or seven months of 1914.

Mr. KELLOGG. Mr. President—

Mr. CUMMINS. I yield to the Senator from Minnesota. Mr. KELLOGG. I would like to ask the Senator from Iowa if the reason of that was not because under the law they could not be taken over except for one week at a time?

Mr. CUMMINS. I am not complaining because our Government did not take them over for one week at a time.

Mr. KELLOGG. I understood the Senator's statement was that the Government of Great Britain only made the guarantee from week to week.

Mr. CUMMINS. That is all. Mr. KELLOGG. It was because they could not take the railroads over except from week to week.

Mr. CUMMINS. Precisely, and we would be a great deal better off if we could only guarantee an income for one week, because then we would be at liberty to pay the compensation from time to time in accordance with changed conditions. But we propose to authorize the President to enter into an agreement that may extend for 10 years.

Mr. POMERENE. Mr. President—

Mr. CUMMINS. I yield to the Senator from Ohio. Mr. POMERENE. The Senator has just made a statement that in his judgment it would be better to have taken over these roads from week to week.

Mr. CUMMINS. No, I did not intend to say that if I did say it.

Mr. POMERENE. I certainly understood the Senator to say it would be much better to take them over from week to week. If the Senator did not make such a statement—

Mr. CUMMINS. What I said, or meant, was that it would be better if the compensation was determined from week to week.

Mr. POMERENE. What is the difference?

Mr. CUMMINS. There is a great difference. Mr. POMERENE. There would be 52 times as many controversies to settle as there would be by determining it in advance.

Mr. CUMMINS. That might be a great advantage. If the first agreement pays \$200,000,000 more than ought to be paid it would be quite advantageous to make another.

Mr. POMERENE. That is an assumption without a statement of fact, in my judgment.

Mr. CUMMINS. I can not answer for the judgment of the Senator from Ohio. It is my judgment that it does.

Mr. POMERENE. I realize that. The Senator now makes a statement that it is \$200,000,000 too high. In his statement submitted here it is stated that it is \$175,000,000 too high. I do not refer to this in a critical way, but I do mean to infer from the statement I have made that it is physically impossible for any Senator, or anybody, on the information we have now, to determine to a farthing what would be fair compensation.

Mr. CUMMINS. The Senator from Ohio, I think, is not quite fair in that statement. I agree that it is a matter of judgment within fair limits respecting compensation, but if I were to propose that the railroads of the country should be paid only \$100,000,000 a year I think no one would question that the compensation would be inadequate. If the Senator from Ohio would propose that the compensation should be \$2,000,000,000 per year I think most people would assert that it is excessive. So we can reach limits beyond which, or under which, the common judgment of mankind repudiates the proposal.

Mr. POMERENE. Even though I think that the Senator from Iowa is extreme in his view—and he perhaps will think I am after I shall have made my statement—I am quite sure that he would never suggest making the compensation \$100,000,000; neither would I make the compensation \$2,000,000,000.

Mr. CUMMINS. And what the Senator from Ohio has just said is the very pith of this whole argument. I think it is plain that the compensation of \$965,000,000 in the aggregate is obviously shocking and excessive. I believe that nine men out of ten will so believe. When I say in my minority report that the compensation is \$175,000,000 more than it should be, I recognize that there may be a variation of five or eight or ten or twenty million dollars among men who look at the subject from the standpoint that I occupy. The compensation can not be reduced to an absolute mathematical accuracy, especially with the information which we now have.

But I proceed with Great Britain, because great strength is given to this bill by the assertion continually made that we are simply following the practice of Great Britain, and that we are not doing any more for our railway companies in this bill than Great Britain did for hers in the act of the council to which I have referred. I repeat that Great Britain is not bound for more than one week at a time by the standard of compensation which she has created; she is at liberty to revise, modify, or amend it whensoever she pleases. But that is not the principal thought in my mind.

Mr. WATSON. Mr. President, just a moment, if it will not interrupt the Senator.

The PRESIDING OFFICER. Does the Senator from Iowa yield to the Senator from Indiana?

Mr. CUMMINS. I do.

Mr. WATSON. Is it not a fact that there was an agreement between the Government of Great Britain and the railroads that were taken over that they were to receive a standard return, equivalent to their average annual return of 1913, less a certain bonus paid to labor?

Mr. CUMMINS. I do not remember that there was any agreement. There was a general assent to and acceptance of the order of the British Government, and there was an agreement subsequently with regard to certain bonuses that grew out of an advance in the wages of the men employed. The increased wages were assumed by the Government in lieu of the elimination of the modifications in the original order concerning the net earnings for the first seven months of the year 1914; but the efficacy—the binding effect—of the order of Great Britain, so far as compensation is concerned, does not depend upon the assent of the railroads of Great Britain.

Mr. SMITH of South Carolina. Mr. President, if the Senator will allow me, I should like to call attention to a fact, and perhaps he can correct me if I am wrong. My impression is that the act of 1871, as subsequently modified by the act of 1888 and some other modifications of that act, made certain railroad officials a part of the military organization. The relation was such that they had certain titles or rank in regard to the service that they might assume in time of war, so that when war did occur the railroads, under the act looking toward the functions to be discharged by them, almost automatically went under Government operation without the legislation which we have necessarily to pass.

As was mentioned by the Senator from Minnesota (Mr. KELLOGG), they took the year 1913, and it was so stated in the report furnished our committee, as being the more prosperous, because 1914 up to the time when the war broke out, had shown a deficit in railroad earnings by virtue of the war. They took 1913 as the basis; they took the first six months, with the modification that the first six months of one year and the first six months of the other year should ultimately be the standard. They found that the first six months of 1914 showed a deficit, and that was abandoned. They then took the flat standard of 1913. Later on the Government assumed all the extra charge that came from the increase of the pay of the railroad employees; they took it off the railroads, and did not charge them with any of the extra pay which they granted to the employees, but still gave the roads their standard return of 1913.

Mr. CUMMINS. Mr. President, the statement of the Senator from South Carolina is substantially correct, although I do not understand that the assumption on the part of the Government of the bonus given to the railway men had quite the basis which is stated by the Senator. The one was set off against the other. However that may be, it is not material to what I am attempting to put before the Senate.

Without any agreement on the part of the railroad companies—because, as stated by the Senator from South Carolina, under the act of 1871 as followed by that of 1888, an act of subsequent years—there was created what was known as a railway executive committee. It was composed of the general managers of the principal railways of Great Britain. It was headed by the president of the Board of Trade, a Government body exercising a Government function. The very moment that the council issued the order for the possession of the property, the Board of Trade and the railway executive committee had possession, not of a part, but of all the railways of the kingdom, with the exception of Ireland, and proceeded to operate those properties as employees of the Government and not of their respective corporations. They were all, and are all, officers in the army of Great Britain, holding appropriate rank and being directly and properly responsible to the Government for every act which they perform. The Government fixed the compensation that should be paid to those railways as the net earnings of 1913; that is, the Government guaranteed the net earnings of that year. Why? Because it believed that the net earnings of that year fairly represented the value of the use of the property; not because the net earnings of any public utility property furnishes a standard for the value of that property, but because the amount which the Government would guarantee under that standard was believed by the officers of Great Britain to be fair and just compensation for the property so taken over.

What did it do for the owners of the railway properties of Great Britain? That is the point universally ignored in citing the action of Great Britain as a precedent for the standard announced in this bill. What did this guarantee do for the bondholders and the stockholders of the British railroads? The argument has been conspicuously silent with regard to that subject up to this time; but let me now suggest that the guarantee given or announced by Great Britain for the English railways paid the interest upon the bonds of those railways and less than 3½ per cent upon the stock of the railway companies. Great Britain is now paying, on an average, 4 per cent upon the railway bonds and 3½ per cent upon the railway stock.

Mr. President, if it had been proposed to do that for the railroads of the United States, my voice at least would not have been lifted up in protest against the bill. I am willing to pay those railroads of the United States which my amendment covers 25 per cent more, or 40 per cent more, upon their stock than the British Government has guaranteed to pay or now pays upon the British railways' stock. How idle it is to hold up Great Britain as the example which we ought to follow at this moment and to conceal the fact that Great Britain is paying her railway stockholders less than one-third what it is proposed by this bill to pay to American railway stockholders.

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

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

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

Mr. KING. If it is not in the order that the Senator intends to discuss the matter, I hope he will say so, and pretermit the answer that I should like until he reaches the particular point in his argument; but the point I had in mind was this: We have in this country, in the State constitutions and in the National Constitution, a provision that private property may not be taken for public use except just compensation shall

be made. The Government, it seems to me, may not take my house or the Senator's store or any property that he has, personal or real, for war purposes or for any governmental purpose without paying just compensation. In ascertaining what would be just compensation, the courts have laid down very precise rules, and the value of the use may be very readily determined. Does the Senator differentiate between the public utilities corporation and private property? If the Government, as I have said, takes the Senator's store or property for war purposes it makes compensation for it, and that compensation is determined by the value of the use. If the Government only takes it temporarily and uses it, it pays the value of that use as just compensation. If the Government takes a railroad in which the Senator is interested, takes the use of it during the period of the war, is a different rule to be applied in determining the value there than would be applied in determining the value of the use of the property owned by private individuals? If not, then does it not come down to the proposition that the Senator is arguing, that, if the Government takes the use of public utilities property, a different standard is to apply in the courts in determining the value than if the Government takes the property of private individuals or the use of it during the period of the war?

Mr. CUMMINS. Undoubtedly, as is recognized by all the courts, I think. The Constitution applies to public utility property just as fully and completely as it does to private property. We can no more deprive a railway company of the use of its property without making just compensation for it, than we can deprive the owner of purely private property of its use without making just compensation for it, but when we come to determine what just compensation is for the use of public property—public in the sense that it is devoted to a public use—a very different rule applies than is invoked for the determination of the same question with regard to private property.

I did not intend to deal with this question at this time, but I am quite willing to divert myself a moment to answer it. When one invests his money in a public enterprise, such as the creation of a public highway for the purpose of furnishing to the people of the country transportation facilities, he agrees that he will exact no more for the service rendered than a fair return upon his investment—some people say upon the value of the property which he creates—but, if the principle is carried out to its end, the two statements are the equivalent of each other. He agrees that he will not make a fortune out of the use of the property; that he will be content with a fair and reasonable return. When one invests money in a purely private enterprise, he makes no such agreement; he is at liberty to make all the profit which he can make without any restriction whatsoever; and in estimating the value of the use of his property, or in estimating the value of the property itself, if it be taken, then the court must take into account his privilege of making unlimited profit out of the property if the property is adapted to the acquisition of such profit. It is not so with public property, and the sooner we reach a sound conclusion on that very vital and important inquiry, the sooner we will be able fully to appreciate our duty respecting this bill.

Mr. WOLCOTT. Mr. President—

The PRESIDING OFFICER. Does the Senator from Iowa yield to the Senator from Delaware?

Mr. CUMMINS. I yield.

Mr. WOLCOTT. Can the Senator inform the Senate how the yield to the British railways, under the Government guarantee of 3½ and 4 per cent as I understood the Senator to say, compares with the yield to the same stockholders for the year prior, say to the assumption of control by the Government?

Mr. CUMMINS. My recollection is that the year 1913 was a comparatively good year for the British railways, and that the guarantee of the net earnings for that year gives to the stockholders of the British railways all that they were getting before, and possibly more.

Mr. WOLCOTT. The point I should like to have enlightenment upon, if the Senator can give me light upon it, is as to whether the British Government gave to the railways a guarantee such as to reduce to the security holders their yield from their securities, or did the British Government see to it by the guarantee that they should get the same return they had been receiving during the prior year?

Mr. THOMAS. Does the Senator mean the securities or stocks?

Mr. WOLCOTT. Stocks.

Mr. CUMMINS. I have said that the Government would pay, or supply if there was a deficiency, the net earnings of the railways as shown in their operations for the year 1913.

Mr. WOLCOTT. By which the stockholder would get the same yield that he had been getting. Now, if that be true, would not this be the parallel in this country—that our Government should give a guarantee to the railroads of a sum sufficient to enable the railroads in this country to pay to their stockholders the same amount of return they had been receiving during prior years?

Mr. CUMMINS. I do not think it would be parallel, because the returns in this country might be excessive; they were not excessive in Great Britain; but, so far as I am personally concerned, I am very, very willing that the Government shall guarantee the interest upon all the bonds and guarantee all the dividends that have been customarily paid in the past. That, however, is not the question in issue; the question is, whether the Government shall guarantee the interest upon all their bonds and nearly twice the dividends that have heretofore been paid?

Now, I do not want there to be any misunderstanding upon that point. The railroads in Great Britain have followed what I regard as the honest and just course in railway operation, namely, they do not collect from the people who employ their service more than is necessary to pay interest upon their bonds and dividends upon their stock, and a very small dividend, too, and some of them do not get that much. Our railroads charge the people of this country enough to pay interest upon their bonds, dividends upon their stock, and enough to build their railroads besides. That is the difference between the English custom or practice and the American custom.

During the year 1913 the net earnings of the English railroads did not result in an excess or surplus after paying interest and dividends of more than, if I remember it, one-tenth of 1 per cent. It would delight me if the Senate would accept with regard to surplus the outcome of the English plan. I have offered, and will presently explain, an amendment which affects 86 roads in the United States, embracing a little more than half the railway mileage, roads which move about 75 or 80 per cent of the traffic, which will reduce the guarantee proposed in the bill, as nearly as can be estimated, \$183,000,000 per year, and yet pay all the interest upon all the bonds issued by these companies and pay, as well, their habitual customary dividends upon the stock, varying from 5 per cent to 10 per cent.

I do not want any one to get the impression that I desire to reduce this compensation with regard to dividend-paying roads below the point that will enable them to maintain their securities in full and complete strength and give them a standing in the markets of the country that will command the utmost confidence. I am complaining about the surplus which we are guaranteeing for the railroads in the United States. Great Britain did not guarantee any surplus; the English railroads have never collected any surplus, and, in my judgment, railroads ought not to collect a surplus from their rates for transportation, except a surplus that will tide them over a lean year now and then.

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

Mr. CUMMINS. I yield.

Mr. WOLCOTT. I am trying to get at the basis of the Senator's reasoning. I understand that he is perfectly willing to allow the railroads enough of a yield to pay the interest on their fixed securities—bonds—and a dividend equivalent—

Mr. CUMMINS. Equivalent to the dividend that they have been regularly paying.

Mr. WOLCOTT. A dividend equivalent to that which they have been regularly paying in the past. Now, does the Senator think it is a legitimate item to allow the railroads a sort of surplus account to take care of depreciation?

Mr. CUMMINS. Mr. President, the Senator from Delaware must be aware that depreciation is taken care of before net income is reached at all.

Mr. WOLCOTT. That is by the Government, the Senator means?

Mr. CUMMINS. No, by the railroads. The railroads charge off, and have the right to charge off, every year a certain depreciation of their property, and for many years they have done it under rules that have been promulgated by the Interstate Commerce Commission. This depreciation becomes a part of the expense of operation and maintenance, and is taken care of before they reach net income. Of course, the Government will take care of depreciation. This bill provides that the Government must return these properties to the railroad companies in as good condition as they were when taken, and the Government must maintain them, and must charge off annually a suitable and adequate sum for depreciation.

Mr. WOLCOTT. I understand that. I am not at all familiar with the allowances made to the roads by the Interstate Commerce Commission. Do I understand from the Senator that the Interstate Commerce Commission in the accounts filed with the commission allows the railroads credit for current depreciation? Has that been the practice?

Mr. CUMMINS. Certainly. The railroads are not at all agreed about the amount; and the Interstate Commerce Commission does not prescribe a fixed rule as to the percentages, but each railroad not only has the right to charge off the current depreciation of its property, but it is its duty to do so, a duty that is enforced upon them by the Interstate Commerce Commission. The charges for depreciation in the accounts vary from 1 per cent to 6 per cent each year. But, however that may be, the depreciation is fully protected in the operating expenses of the railroads, as I shall presently show.

At this time I am only concerned in leaving the proper impression with regard to the British treatment of railways. There is a great system—small compared with ours, of course, but doing an immense business—I think comprising more than 20,000 miles of single track, with a far greater percentage of double track, triple track, and quadruple track than we have in our country; a great system, serving one of the most energetic and successful countries in the world. When Great Britain takes that system, it simply says: "We will guarantee you enough to pay you the interest upon your bonds," which is about one-half per cent less in Europe than the average interest upon American railway bonds, "and enough to pay an average of 3½ per cent upon the stocks that are outstanding." That is all that Great Britain has done in awarding just compensation for the use of that vast property.

Great Britain was conscious that all the people of that country must bear the burdens of the war in which she was engaged; and I am only endeavoring to fasten upon the minds of the Senate and the country the idea that when our Government takes possession of our railroads, in the midst of a world-destroying war, of the outcome of which no human being can be certain, we remove from this property all the peril, all the hazard of the war; we lift it up out of the chaos and the confusion and the fluctuations of all other business; we say to these companies: "No matter what may happen to other properties in the United States, no matter how values may decline, no matter how profits may disappear, no matter what sacrifice must be made in order to maintain the Union, we will see that you shall receive each year a certain income upon the value of your property."

The Government of this country has already asked the people to loan to it, I think, five billions of dollars; and between now and the 30th of June, as we were told, it is likely that it will ask our people to loan it the further incomprehensible sum of ten billions of dollars. It asks them to give, from what they have, these incalculable amounts and to receive from it a promise that at the end of the period named in the bond they will accept the principal, and in the meantime will accept 4 per cent per annum; and the people loyally and gladly are coming to the rescue of the Government and are furnishing it credit in a way unknown to any other period of the nation, and all they ask is 4 per cent. Yet in the midst of this loyal scene, in which the people of America are striving with each other in order to exhibit their loyalty and their desire to help in the time of stress and strain, in comes this bill, which declares that with a Government guarantee which makes the payment of the sum guaranteed as certain as the continuance of the Government itself, in the face of all these circumstances and perils and dangers, these same men who are staggering under the burden of loaning their Government money at 4 per cent shall guarantee to the stockholders of the railways of the United States from 10 to 20 per cent upon the par value of their securities. It is a monstrous proposal.

Mr. SMITH of South Carolina. Mr. President—

The PRESIDING OFFICER. Does the Senator from Iowa yield to the Senator from South Carolina?

Mr. CUMMINS. I do.

Mr. SMITH of South Carolina. If the Senator will allow me, I think in all fairness he ought to call attention to the fact that the Government took over these roads. They did not come in of their own volition. They would have had to bear the vicissitudes of the changing war conditions, and were bearing them until the Government, of its own volition, took them. The Government is now just proposing to give them what was the result of the vicissitudes up to the time that it took them.

The railroads, as I say, did not come in of their own volition. We took them over, and under the due process of law the committee attempted to find out what they had been earning under the very vicissitudes that the Senator remarks upon.

The Government might take over a horse that belonged to me that was worth, say, \$200. It can not foretell what that horse may be worth to-morrow. It may die, but the Government must pay me according to the value of it at the time the Government took control. The record from the Interstate Commerce Commission shows that what we are allowing the railroads out of their earnings is what they were earning when we took them, not when they volunteered to come and asked us to take them, and demanded this as a recompense.

Mr. TOWNSEND. Mr. President—

Mr. CUMMINS. I desire to say a word in response to the Senator from South Carolina [Mr. SMITH].

Mr. TOWNSEND. I was just going to suggest that I take it the Senator from Iowa is not going to finish his speech to-night, and as he has been talking a long while, and evidently is somewhat weary, we might take an adjournment now. It is approaching the hour of 5.

[At this point Mr. CUMMINS yielded the floor for the day.]

Saturday, February 16, 1918.

Mr. CUMMINS. Mr. President, so much time has elapsed since I suspended my argument upon the measure under consideration that I may be permitted to restate very briefly the subject under discussion. I am considering the first section of the bill reported by the Interstate Commerce Committee. It gives to the President the authority to enter into agreements with the various railway companies of the country for the compensation which they are to receive during Federal control for the use of their properties. The compensation mentioned in the section, and which the President is authorized to agree to pay, is the average net operating income of these companies during the three years ending June 30, 1917.

I had mentioned the fact that the President had reached the conclusion, evidently long before this legislation came before Congress, that the standard which I have mentioned, and which is found in the section, is the proper standard of compensation. He so declared in the proclamation under which the Government assumed possession and control of the properties; he reiterated it in the statement which accompanied the proclamation; and he again expressed it in his message to Congress immediately after the holiday recess. We have a right, therefore, to assume that, if the authority specified in section 1 is conferred upon the President, he will enter into agreements with these companies upon the basis I have suggested. Moreover, the Director General in his appearance before the committee argued at very considerable length for the standard that is here set up. I am not suggesting this in a critical way; I am mentioning it only to make it absolutely sure that, if we do give the President the authority to enter into these contracts of the character which section 1 prescribes, he will exercise the authority, for his conclusion upon that subject is now fixed and, I believe, unalterable.

I think the compensation recommended by the President—and I say it with all the deference in the world to him—is excessive. I think it introduces into governmental railway operation the same abominable profiteering which disfigures other fields of governmental activity. There is one thing that the people of this country will not endure. Loyal, as they are, enthusiastic, as they are, determined, as they are, to carry on the war to a successful end, they will not tolerate the general practice of creating fortunes out of the war. There is such universal indignation against the practice that I need but mention it in order to command the assent of every Senator and every citizen of the Republic. If we want a united, determined, aggressive citizenship, we must take care that the burdens of the war are fairly and equitably distributed and that those who have the power to profiteer shall not be given the opportunity to satisfy their cupidity and their avarice. I want Senators to remember that it is just as important to secure the cooperation of the great body of the people, as it is to strengthen and fortify the railway securities. I think I do not disparage or depreciate or diminish the value or importance of the latter, but the former must be borne in mind in the consideration of every question which distributes money, collected from the people, among those who may render service to the Government.

Do not imagine that I have any prejudice against the railway companies. I am a law-abiding man; I believe in order and regularity. I am still clinging to the Constitution amidst the waves of war. I have not yet given up that ark of safety for the American Republic. It would have commanded my instant assent if this bill had provided that the value of the use of the various railroad properties of which the Government takes possession should be ascertained by an impartial tribunal, preferably the Interstate Commerce Commission, which has at its

command, and has now in its records, a very large part of the information necessary speedily to arrive at a just result. I would have been glad if from the judgment of the Interstate Commerce Commission, or any other impartial tribunal, there could have been a proper appeal to the courts, in order that the judiciary of the land might utter the last word upon this vital subject; and with the judgment so determined I would have been absolutely content. I would have been glad also if in the meanwhile the President could have been given the power to advance to the railway companies whatever may become necessary to enable them to properly protect their securities; and finally, whatever balance there may be, whether in favor of the Government or in favor of the railways, could be fairly adjusted. This would have been a just, orderly way in which to have ascertained the value of these properties and to have secured a judgment with regard to the value of the use of these properties.

Every citizen of the land would have been content if that proceeding had been adopted. We have just that proceeding here, but we have it accompanied with an authority to the President to enter into agreements with these companies, agreements which shall take the place of and be a substitute for the proceedings which arrive in a legal way at the result we are seeking; and I want you to bear in mind all the time that it is only with respect to the authority that we are proposing to give to the President that I have any question. I assert that the standard that we are erecting here for him furnishes to these companies, or some of them, an excessive compensation, and that if we make contracts of this character we will be subject to all the criticism that is now poured out upon the profiteering which has been so prevalent in many activities of the Government.

Mr. KENYON. Mr. President, may I ask my colleague a question?

Mr. CUMMINS. I yield.

Mr. KENYON. I am asking purely for information, because I believe my colleague probably knows more about this subject than any other man in Congress.

This standard that we give to the President leaves it with the President, as I understand, to determine whether or not he shall do this, whether or not he shall come to this standard; or, if he can come to an agreement with the railroads to pay less, he then can do it; can he not?

Mr. CUMMINS. He has the power to do it, the legal authority to do it; but he has stated that this is the compensation which he thinks ought to be given to these companies.

Mr. KENYON. That is, in his address to Congress? Is that the statement of the Senator?

Mr. CUMMINS. In the proclamation, in the statement which accompanied it, in the message which he delivered to Congress after the holidays, and through the Director General in his testimony before the committee.

Mr. KENYON. That is the question that has been troubling me—whether we are authorized to assume that the President will grant this compensation which the Senator thinks is excessive; and I agree with him in that. The President, of course, may change his mind.

Mr. CUMMINS. At least it would be safer not to invest him with the authority, if we are clearly of the opinion that it does provide for an excessive compensation. At least, so I view it.

Mr. KENYON. And yet, if the President should become convinced that the compensation was excessive, he could of course change his mind and not reach the high standard which the bill allows him to reach.

Mr. CUMMINS. He has the abstract authority to reduce the compensation.

Mr. KELLOGG. Mr. President—

The VICE PRESIDENT. Does the Senator from Iowa yield to the Senator from Minnesota?

Mr. CUMMINS. I do.

Mr. KELLOGG. I should like to say to the Senator, if he will permit me to interrupt him, that while the President did recommend in his message and the Director General testified that he thought this the proper standard, it was all in the light of its being a maximum; and I am informed by the men who will execute it, who appeared before the committee, that it is simply a maximum, and that the President expects, with his advisors, to treat it as such, and, in cases where the maximum would be too much, not to grant it.

Mr. CUMMINS. Mr. President, I am not in the confidence of the advisors of the President or the Director General. I do not know what they intend to do; but so far as I am concerned I do not intend to give the President the power to do wrong if I can prevent it. I do not intend to give the Director General

the authority to pay more than ought to be paid if my vote and my voice can prevent the granting of that authority. I can not understand how any Senator can satisfy his conscience, if he believes the standard is wrong and ought to be reduced, by conferring the authority upon the President in the hope that he will not exercise the power that is given to him.

As I said in the very beginning, I have no desire to interfere with the responsibilities of the President. He must bear them. They are heavy, onerous, and he has my sympathy every moment of the day, and will have my assistance upon every occasion. But I can help him best by bearing my own responsibilities, and so can you; and if you believe that this standard is excessive, then it is your duty to limit his authority within the fair bounds of reasonableness.

Let another thing be understood: The amendment which I shall offer to the first section, and which I am really discussing as I move forward with the proposition itself, is applicable to 140,000 miles of single-track railway. It is applicable to a little more than one-half of the railway mileage of the country; but within that one-half are the great monopolistic systems which have in the past oppressed, through excessive rates, the people of the country, and have accumulated more than under any fair adjustment of rates they should be permitted to accumulate. There are 110,000 miles of the 250,000 miles in the country to which my amendment does not apply at all, and I pause here to say that in my judgment the standard of the bill not only does not give to those railroads an excessive compensation, but I believe that in some cases it will give them less than just compensation.

Mr. NORRIS. Mr. President—

The VICE PRESIDENT. Does the Senator from Iowa yield to the Senator from Nebraska?

Mr. CUMMINS. I yield.

Mr. NORRIS. My understanding—and I should like to have the Senator correct me if I am wrong—is that in those cases of which the Senator is speaking now, where the President believes that the basis of payment would not bring a sufficient return, he has power to increase it; has he not?

Mr. CUMMINS. The two classes are not entirely the same. That is, the paragraph to which the Senator refers says that as to any nondividend-paying carriers he may do whatever he pleases; but there are some roads that pay small dividends, and that would be included within the 110,000 miles which I mentioned a moment ago that would not be included within the paragraph which the Senator has before him.

Mr. NORRIS. Does the Senator include in those 110,000 miles the nondividend-paying carriers?

Mr. CUMMINS. All of them.

Mr. NORRIS. All of them?

Mr. CUMMINS. They are all included.

Mr. NORRIS. As to those, at least, the President has authority to make an agreement that would give them a reasonable and fair rate?

Mr. CUMMINS. He has.

Mr. NORRIS. Under the bill as it stands now, if they did not get any dividends in those three years, he can pay them what he thinks is a fair return?

Mr. CUMMINS. They are not exactly the same. I pick out of all the mileage of the country those roads and those systems whose net income, as compared with stock capitalization, is more than 5 per cent, and apply the standard of my amendment to them and no others; so that the amendment which I will propose, if adopted, will not change the bill in any respect in so far as concerns the 110,000 miles of railway which represent in a broad way the weaker and the poorer lines.

With that statement, I now ask the attention of the Senate to the proof which I said in the beginning I would produce. But before I do that, Mr. President, I desire to print as part of my remarks and at the proper place a table concerning the net earnings of the English railways which was introduced before the committee, and about which I spoke day before yesterday when I was discussing this question. It is found on Part V of the hearings, on page 965. It shows, with regard to nearly all the British railways, the net earnings for the year 1913. In other words, it shows the return which Great Britain has guaranteed to her railways; and I only repeat that her guarantee is substantially 4 per cent upon the bonded indebtedness of the railways, and 3½ per cent upon the stock of the railways. That is the standard which Great Britain thought it was fair to use in the compensation of her railways; and I say again that I am not only willing to go as far as Great Britain did in compensation, but I am willing to double the amount awarded by Great Britain to the shareholders.

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

Railways in United Kingdom whose gross receipts for the year 1913 exceeded £1,000,000.

[Authority: Railway returns of the United Kingdom for the year 1913.]

| Name of road. | Gross receipts. | Ordinary stock. | Preferential stock. | Guaranteed stock. | Total stock. | Dividends on ordinary stock. | Dividends on preferential and guaranteed stock. | Total dividends. | Rate of dividend (per cent). | Net income. | Fixed charges. ¹ | Net income less fixed charges. | Rate of return (per cent). |
|--|-----------------|-----------------|---------------------|-------------------|--------------|------------------------------|---|------------------|------------------------------|-------------|-----------------------------|--------------------------------|----------------------------|
| Great Central | £5,929,558 | £10,658,020 | £17,185,428 | £3,382,061 | £31,225,509 | ..... | £866,076 | £866,076 | 2.77 | £2,218,221 | £1,352,885 | £865,336 | 2.77 |
| Great Eastern | 6,015,142 | 15,362,586 | 14,731,708 | 6,094,627 | 36,189,221 | ..... | £384,072 | 825,228 | 3.34 | 2,177,330 | 950,385 | 1,226,945 | 3.33 |
| Great Northern | 6,742,119 | 22,451,250 | 19,759,520 | 3,435,740 | 45,649,510 | ..... | 788,535 | 1,699,748 | 3.72 | 2,463,016 | 700,189 | 1,762,827 | 3.83 |
| Great Western | 15,431,412 | 36,995,210 | 11,999,348 | 25,555,191 | 74,185,749 | ..... | 2,284,451 | 1,874,577 | 5.61 | 5,924,034 | 1,574,657 | 4,349,377 | 5.87 |
| Lancashire & Yorkshire | 6,595,159 | 18,821,470 | 29,104,819 | 2,595,012 | 50,522,298 | ..... | 848,966 | 1,019,267 | 3.69 | 2,602,111 | 713,811 | 1,888,300 | 2.74 |
| London & North Western | 16,326,621 | 42,890,935 | 27,873,631 | 15,100,406 | 85,964,132 | ..... | 3,002,308 | 1,718,062 | 5.50 | 6,331,595 | 1,512,792 | 4,818,803 | 5.62 |
| London & South Western | 5,414,019 | 22,189,514 | 18,700,226 | 797,980 | 41,688,020 | ..... | 851,199 | 738,526 | 3.81 | 2,190,502 | 595,021 | 1,595,481 | 3.81 |
| London, Brighton & South Coast | 3,594,118 | 10,447,085 | 10,121,672 | 1,955,860 | 23,524,617 | ..... | 548,472 | 603,876 | 5.12 | 1,531,911 | 378,445 | 1,153,466 | 5.11 |
| Midland | 15,123,156 | 78,135,297 | 63,988,974 | 18,089,560 | 160,273,931 | ..... | 2,635,194 | 2,079,951 | 2.94 | 6,362,738 | 1,434,787 | 4,927,951 | 3.07 |
| North Eastern | 11,315,139 | 32,038,605 | 18,273,797 | 8,503,235 | 56,813,697 | ..... | 2,242,142 | 991,040 | 5.69 | 4,454,968 | 914,899 | 3,540,069 | 6.23 |
| North Staffordshire | 1,058,978 | 3,594,650 | 3,317,483 | 1,170,000 | 8,082,133 | ..... | 179,732 | 158,024 | 4.18 | 441,288 | 65,071 | 346,217 | 4.23 |
| South Eastern & Chatham Railway (companies managing committee) | 4,890,598 | ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... |
| London, Chatham & Dover | 11,259,282 | 7,878,832 | 122,313 | 19,260,427 | ..... | ..... | 331,107 | 331,107 | 1.72 | 816,193 | 483,253 | 332,940 | 1.73 |
| South Eastern | 10,049,230 | 12,286,385 | 1,784,309 | 24,119,915 | ..... | ..... | 533,949 | 935,909 | 3.88 | 1,416,960 | 483,537 | 933,423 | 3.87 |
| Total England and Wales | 98,381,981 | 314,653,994 | 253,158,820 | 88,587,345 | 655,403,159 | ..... | 14,168,341 | 12,641,490 | 4.08 | 38,937,867 | 11,189,702 | 27,748,165 | 4.23 |
| Caledonian | 5,129,155 | 35,599,253 | 14,523,437 | 9,288,154 | 59,233,947 | ..... | 646,311 | 998,183 | 2.72 | 2,334,041 | 707,851 | 1,626,190 | 2.74 |
| Glasgow & South Western | 2,012,737 | 12,651,790 | 5,491,091 | 2,260,450 | 20,403,331 | ..... | 314,052 | 301,932 | 3.02 | 825,558 | 229,939 | 595,619 | 2.91 |
| North British | 5,254,607 | 21,579,157 | 27,575,987 | ..... | 49,155,144 | ..... | 437,361 | 1,078,830 | 3.08 | 2,427,282 | 657,725 | 1,769,557 | 3.19 |
| Great Northern of Ireland | 1,191,283 | 4,049,989 | 1,749,035 | 880,270 | 6,668,264 | ..... | 242,997 | 104,730 | 5.21 | 457,631 | 105,788 | 351,843 | 5.23 |
| Great Southern & Western | 1,630,763 | 5,479,800 | 1,693,765 | 7,893,184 | 10,072,749 | ..... | 266,273 | 184,193 | 4.47 | 716,918 | 215,362 | 500,556 | 4.94 |
| Total United Kingdom | 113,600,532 | 393,983,986 | 304,193,105 | 103,881,403 | 802,063,494 | ..... | 18,073,331 | 15,279,391 | 3.91 | 45,093,407 | 13,303,397 | 32,790,010 | 4.01 |
| Per cent of gross receipts of all railways in United Kingdom | 86.60 | ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... |

¹ Includes interest on loans, debenture stock, and miscellaneous fixed charges.

Gross receipts of all railways as follows: England and Wales, £109,935,244; Scotland, £13,612,742; Ireland, £4,923,157; total, £128,471,143.

Mr. NORRIS. Mr. President—
 Mr. CUMMINS. I yield to the Senator from Nebraska.
 Mr. NORRIS. The Senator, in referring to the bonded indebtedness of the British railroads, says that the British Government has guaranteed practically 4 per cent. Does he mean that they have fixed in the guaranty a definite per cent—
 Mr. CUMMINS. Oh, no.
 Mr. NORRIS. Or does he mean that they are paying whatever interest those bonds bear, and that that amounts to practically 4 per cent?
 Mr. CUMMINS. The latter is what I mean. The 4 per cent is an average of the interest.
 Mr. NORRIS. The guaranty provides for the interest on the bonds, whatever it may be according to the terms of the bonds?
 Mr. CUMMINS. No; the English agreement was to guarantee the net earnings of the year 1913, the year before the war. The net earnings did pay 4 per cent upon the bonds and 3½ per cent in substance upon the stock, and that is the amount which Great Britain pays.
 Mr. NORRIS. Do not the bonds bear a specific amount on their face?
 Mr. CUMMINS. I do not know. Some of them bear 3½ per cent interest, some of them 4½, but the average is about 4.
 Mr. KELLOGG. Mr. President—
 The VICE PRESIDENT. Does the Senator from Iowa yield to the Senator from Minnesota?
 Mr. CUMMINS. I do.
 Mr. KELLOGG. Did I understand the page referred to by the Senator to be page 965 of volume 5 of the Record?
 Mr. CUMMINS. Some one has taken that volume from my desk.
 Mr. KELLOGG. Very well. That shows that the rate of return was 4.4 per cent, and that the dividend that they paid on their stocks the previous year was 3.91 per cent, if that is the table to which the Senator refers.
 Mr. CUMMINS. The table shows what it shows. My statement with regard to the aggregate guarantee is derived from the testimony of Mr. Julius Kruttschnitt as well as the testimony of Clifford Thorne, both of whom have computed the returns that were made under the English guaranty.
 Mr. SMITH of South Carolina. Mr. President, will the Senator allow me at this juncture just to read a brief statement taken from the British report and printed in a memorandum submitted to the Committee on Interstate Commerce relative to the Government control of railroads in Great Britain in its financial aspect with relation to the railway employees? It was prepared by the Legislative Reference Division of the

Library of Congress, and printed for the use of the Committee on Interstate Commerce. It is just a few lines which, if the Senator will allow me, I should like to read, right on this point.
 Mr. CUMMINS. Very well.
 Mr. SMITH of South Carolina. It says:
 1913 a "banner year." The general opinion in railway engineering, and investing circles at the time the terms of compensation were announced was, that "the Government has been generous." The year 1913 had been a "banner year," marking "the high level of prosperity" of the British railways since the beginning of the century. The average dividend rate upon the total ordinary capital (excluding nominal additions), whether or not ranking for dividend, had been higher in 1913 than for many years previous. The Investors' Review has declared that "as 1913 was a very good year, taken all around, the shareholders have not much to grumble about." The Scottish railways responded at once to the new situation which the agreement brought about, by making the dividend announcements which, because of the uncertainty due to the war and to the assumption of control by the government, had been postponed.
 Mr. CUMMINS. I was stating a fact, not endeavoring to explain it.
 Mr. SMITH of South Carolina. The point I was making was that the railroads have postponed any dividends on their stock and after they made the agreement with the Government they immediately resumed payment of dividends on their stock.
 Mr. CUMMINS. That fact is entirely irrelevant and immaterial to the point I am making. I am trying to show what Great Britain did for her railways, which was a guarantee of net earnings for the year 1913, and I have endeavored to point out what those net earnings were in order to show what return upon capital Great Britain allowed to the bondholders and the shareholders of her railways.
 I ask the Senate now to look with me for a moment upon what the proposed guarantee will do, if it were accepted by all the railroads. I do not know that it will be accepted by all the railroads. I think it is more than likely that some of the weaker railroads will insist upon their reward in legal proceedings, but I am very sure that all the great systems of railroads in the United States will eagerly accept the offer. But let us assume now that they will all accept the offer of a guaranteed operating income, the average of the three years just passed.
 According to the terminology of the reports required by the Interstate Commerce Commission the net operating income of a railroad is the sum which remains of operating earnings after deducting the expenses of operating, maintenance, taxes, and the like. A great many roads have other sources of income, and to those sources I will presently make some reference. They are outside of the present arrangement, and these roads will be possessed of these incomes in addition to the guaranteed sum which the Government proposes to pay.

The majority report says that the aggregate guarantee for all the railroads is \$945,000,000. I say in frankness that that is a few million dollars, very few, however, more than I had estimated as the guaranteed amount of the average net income, but I will, as I ought, accept the view of the majority of the committee in that respect.

We undertake also to pay in addition to the \$945,000,000 per year a fair per cent upon the increase in the value of the property between the 30th of June, 1917, and the 1st of January, 1918. This increase is estimated by the majority of the committee at from ten to fifteen million dollars. I will assume the lower of the two amounts. We then reach an aggregate guarantee—and if one road does not get it another one will—for all the railroads of the United States of \$955,000,000 annually.

Let us see what that will do for the capitalization of all the railroads of the United States. As shown by the report of the Interstate Commerce Commission filed in the hearings the par value June 30, 1917, of all railway bonds, eliminating duplications, was \$10,021,730,075. Is there any dispute about that? If there is I should like to hear it made now.

There were outstanding on the 30th of June, 1917, \$10,021,730,075. The people who hold these bonds have agreed with the railway companies with regard to the returns upon their part of the capital or capitalization. No matter what we do, the bondholders who own this vast sum in securities will neither receive more nor less. Their return is fixed by agreement.

Mr. President, the annual interest charge upon the bonded debt of all the railroads in the United States for the year ending June 30, 1917, was in round numbers \$400,000,000. As I remember it, as reported by the Interstate Commerce Commission, it was \$405,000,000. There was some interest upon floating debt or unfunded debt which I need not mention at this time. It would make no difference in the results which I shall read.

Deducting \$400,000,000 required to pay the interest upon all the bonds held by the public or eliminating duplications, all the railroads, considering them as one, would have at the end of the first year of this guarantee \$550,000,000 available for their shareholders or their stockholders.

Now, do not let us misunderstand the meaning of that situation. I do not say that these railway companies would distribute \$550,000,000 in dividends. They have not done that in the past and I have no reason to believe that they will do it in the future. But these companies will have of the Government guaranty \$550,000,000 available for shareholders, money that can either be used for dividends, for an increase in the value of the property, or for the extinguishment of debt, or some other capital account. In any event, it inures to the benefit of the stockholders. It is their money and they can use it as they desire.

A very simple computation, the simplest in the world, shows what we are guaranteeing upon an average for all the railways in the United States, and I am treating them now as one company, remember. We are guaranteeing 8.5 per cent on all the stock of all the railroads in America, and that without taking into consideration the other sources of income which many of these companies have, and which will swell the power of the railway companies to return dividends to or construct property for their shareholders.

Mr. KELLOGG. Mr. President—

The VICE PRESIDENT. Does the Senator from Iowa yield to the Senator from Minnesota?

Mr. CUMMINS. I yield.

Mr. KELLOGG. Where does the Senator get his figures for that statement?

Mr. CUMMINS. Which statement?

Mr. KELLOGG. That 8.5 per cent on all the stock not including the corporate income.

Mr. CUMMINS. The Senator must have noticed where I got it.

Mr. SMOOT (to Mr. CUMMINS). You did not give the aggregate.

Mr. CUMMINS. I beg pardon; I think I omitted one element there, and then the Senator can make his inquiry. I have already shown the interest charge. I now come to the stock. The aggregate par value June 30, 1917, of the capital stock of all railroads, eliminating duplications and omitting some of the very small roads which do not report, was \$6,314,570,554.

Mr. KELLOGG. That is a correct statement.

Mr. CUMMINS. Does the Senator say that is not correct?

Mr. KELLOGG. It is a correct statement of the amount of stock outstanding. But the experts of the commission furnished the figures which I quote, which show that the interest on bonds is \$450,000,000 instead of \$400,000,000, and that the total divi-

dend, if all the income, both corporate and net operating income was applied to the stock, would be only 8.26 per cent.

Mr. CUMMINS. The statement is wrong, that is all, in my judgment; or if that statement is right then the Interstate Commerce Commission has made a different one to the committee. I do not pretend to reconcile all these figures. I say that the Interstate Commerce Commission filed with our committee a statement which showed that the interest paid upon all the bonds outstanding on the 30th day of June, 1917, was \$405,000,000, and all we need to do is to recur to the report in order to verify what I have said.

I have not included in my computation the interest upon the unfunded debt, the current debt, nor do I think it ought to be included.

That is a varying sum paid from month to month, and the debt existing in one part of the year may be entirely discharged in another part of the year. The Senator from Minnesota will observe that I confine my statement to the interest upon the bonded debt, and upon this statement I reaffirm that the United States, if it gives this authority, is authorizing the guaranty of a sum that, aside from all other sources of income, will be the equivalent of 8.5 per cent upon all the stock of all the railroads—

Mr. NORRIS. Mr. President—

Mr. CUMMINS. Even if my figures were modified in the way suggested by the Senator from Minnesota, and I have had no opportunity, of course, to examine those figures because they were not put before the committee. They were evidently furnished recently and may be accurate, but I should like to have an opportunity to examine them, because there is nothing so deceptive as figures.

Mr. SMOOT. There is a difference of only one-quarter of 1 per cent.

Mr. CUMMINS. It makes so little difference anyhow that the disparity is a negligible matter. I yield to the Senator from Nebraska.

Mr. NORRIS. I think it would be interesting if the Senator has the figures if he would tell us, in connection with the figures he has just given, how much revenue the railroads have derived in the same fiscal year from other sources.

Mr. CUMMINS. I can not give that accurately because I have it combined with the net operating income in another connection.

Mr. NORRIS. Could the Senator give it approximately?

Mr. CUMMINS. I think it is something like fifty millions of dollars.

Mr. KELLOGG. If the Senator desires it I will state that the statistician of the Interstate Commerce Commission says that the total corporate income outside of net operating income amounts to \$150,000,000, and the obligations for net rentals paid is \$119,000,000.

Mr. KING. Will the Senator allow me?

Mr. CUMMINS. Of course, I am very glad to have the Senator from Minnesota answer the question, but I have not examined the table.

Mr. NORRIS. If the Senator will permit me, it occurred to me when the Senator was giving the figures that he was omitting one item which would not apply to all roads, but to a great many roads, the amount of income from the sale of public lands, etc. I suppose it is not included.

Mr. CUMMINS. No.

Mr. NORRIS. With some roads that would be quite a large item, so much so that it would have quite an effect upon the income.

Mr. CUMMINS. Mr. President, I will presently, when I come to consider the railroads which are affected by the amendment which I will propose, show precisely the combined income guaranteed by the Government, that is, the net operating income and the income from other sources, not separated but combined, in order that there may appear precisely what each of these companies will have at the end of each year of Federal control for the benefit of their stockholders. I yield to the Senator from Utah.

Mr. KING. I was about to suggest to the Senator from Iowa that the figures just submitted by the Senator from Minnesota [Mr. KELLOGG] seem to be based entirely upon incomes derived from operating roads or leased roads. There is considerable income that is derived from other property than what might be denominated strictly railroad property, for instance, coal companies, hotels, a large quantity of real estate, and that would swell considerably the figures submitted by the Senator from Minnesota.

Mr. CUMMINS. Possibly so. I have not examined the table, so I am not able to advise upon it.

Mr. President, no matter whether the percentage suggested by the Senator from Minnesota or the percentage which I have named is correct, either is intolerable. Either will inflict an injustice from which this country will never recover, because we are taking now a step which involves something more than the mere ascertainment and payment of just compensation for a limited period.

Mr. President, remember that more than one-half the capital stock was issued originally in defiance of both law and morals. Remember that more than one-half of it—and I am not now imagining, I am stating the result of investigation after investigation that has heretofore been carried on—more than one-half of the capital stock was issued without any consideration whatever paid to the railway corporation or corporations which issued it. I do not assert that the present holders of the railway stock have paid nothing for it; I do not know; but I do know that a large part of it is absolutely baseless, so far as consideration is concerned. And so we are proposing here to guarantee to all this great mass of inflated, watered capital stock an annual return of more than 8 per cent upon its face par value. It may be that action of that kind can be defended, but hitherto I have not heard anyone with sufficient temerity to undertake its defense.

Mr. SMOOT. Was that upon the par value or the market value?

Mr. CUMMINS. The 8.5 per cent is upon the par value. This showing, however, does not represent the full iniquity of the proposal. I have been considering now the effect of the guaranty upon the railway stock of all the railroads without discrimination as between them. I shall now separate these railroads into two classes. I intend now, after setting aside companies operating 110,000 miles of the railways of the country which I think this bill does not guarantee more than they should receive, to ask your attention to 86 systems of railway which represent 140,000 miles of single track, and which carry from 75 to 80 per cent of the traffic of the country, and I want you to consider what this guaranty will do for them, for I do not want to withdraw one single farthing from the proposed guaranty so far as the weaker and poorer railroads are concerned. I would add to the guaranty rather than diminish it, not in the aggregate, but as to particular properties.

I will at this point read the amendment which I had printed, because I think that in discussing what we are about to do for the railways covered by my amendment we ought to carry in our minds the change which the amendment suggests. The amendment is to be added after the word "included," on line 17, page 2, of Senate bill 3752, and reads as follows:

Provided, That the standard return to any such carrier whose average rate of net income to capital stock for the years aforesaid has been more than 5 per cent shall not exceed the net railway operating income for the calendar year 1917 after deducting therefrom the amount available out of earnings for investment and surplus: *Provided further*, That the last preceding limitation shall not be employed so as to reduce the net income (above all operating expenses, taxes, interest, and all other fixed charges) of any such carrier below the amount required to meet each year the regular dividend accruals on all capital stock outstanding December 31, 1917. The surplus over and above the standard return as so computed shall be paid into the revolving fund hereafter created, and such part thereof as may be necessary shall be used in additions, betterments, and extensions to said property. All of said property constructed out of, or purchased by the same, shall belong to, and shall be held in trust for, the public, and no return to any railway company shall ever be paid thereon.

If you will turn to the minority views which I submitted you will find on pages 7 and 8 a table which names the railways that will come within the amendment which I have proposed, and whose standard return will be affected by the amendment. These railway companies or systems are 86 in number and, as I have more than once said, they comprise about 140,000 miles of single-track railway. The table to which I have referred, the original of which I hold in my hand, was prepared by the Bureau of Statistics of the Interstate Commerce Commission. I accept it implicitly, for I believe that it states in each instance the exact truth.

Taking up the table, I call attention, first, to the Pennsylvania Railroad Co. The proposed standard return, that is the return of the bill, the net operating income of the company for the three years which have been taken as the test, is \$46,764,485. The average net income for the three years ended June 30, 1917, was \$44,534,939.

The statement of those two sums of money requires me now if I can, to explain what these terms "net railway operating income" and "net income" mean, as they are employed by the Interstate Commerce Commission and as they are used in the reports made by the railroad companies. I do this because it would appear from the statement that the proposed standard return of net operating income is larger than the average net

income for these years. It is larger because in the column of average net income for the three years ending June 30, 1917, the interest upon all debts has been deducted, whereas in the proposed standard return—that is, the average net railway operating income—the interest upon indebtedness has not been deducted. On the other hand, the income from other sources than mere railway operation has been carried into the item \$44,534,939, and "net income" shows not only the net railway operating income but the net income from other sources, less the interest that has been paid both on bonds and the general indebtedness.

I think that it is worth while, Mr. President, at this point to explain just what these terms mean. I have before me the preliminary Abstract of Statistics of Common Carriers for the year ended June 30, 1916, which was issued by the Bureau of Statistics of the Interstate Commerce Commission, and is an official document. It is the last one of its kind that has been printed. I will take the Pennsylvania Railroad as an instance, in order that we may fully understand how these things are computed.

I pass the assets and liabilities, that is, the balance sheet, and come to the income account for the year. The first item in the income account for the year is \$220,113,358. That represents the railway operating revenue. The next item is \$155,278,979. That represents the railway operating expenses. That includes all the expenses of operation of every kind, maintenance of all kinds, all salaries from that of the president to that of the section hands, all wages, all supplies, everything that enters into the operation of the railway. That leaves a net revenue from railway operation of \$64,834,379. There is then mentioned "Railway tax accruals." Those are the taxes for the year and the uncollectable railway revenue; and those two items are deducted from the net revenue, which leaves \$57,460,639. That is the railway operating income of the Pennsylvania Railroad. There are certain adjustments of a minor character named in the bill that I need not mention. That is the railway operating income, and it is what remains of the operation revenue after the deduction of all expenses, including taxes.

Now, we come to quite a different aspect of the matter. We come, now, to what is known as nonoperating income and nonoperating expenses. Let us see what they are. I will not read the amounts attendant upon them. Omitting the three items which are taken in under this section, which do not really make very much difference in the outcome—and I will not pause to explain why they are taken in—the first item of credit in the nonoperating income is the income from lease of roads; the second is miscellaneous rent income; the third is nonoperating physical property; another is the dividend income; and that I desire to impress upon the minds of all Senators who are here. The Pennsylvania Railroad Co. receives in dividends from other railroad companies, and possibly from other properties, too, \$15,450,308. Then, income from funded securities, income from unfunded securities, and accounts, and all other nonoperating income.

Now, we come to the debit balance in nonoperating revenues. First, we have hire of freight cars, rent of locomotives, rent for other equipment, joint facility rent—these are taken into the bill as a part of the railway operating income; but they are so small, and they so nearly balance each other, that it makes no difference in the outcome—rent for leased roads. The Pennsylvania Railroad Co. paid during the year covered by the figures \$10,128,558 as rent for roads which it leased. Then, the miscellaneous tax accruals, separately operated properties, interest on funded debt, amounting to \$11,763,357, and interest on unfunded debt, amounting to \$262,487, all other income deductions, and so on.

Those two classes of items were balanced up, and they then were carried into the operating income which I have already described, and the outcome was that the net income of the Pennsylvania Railroad Co. for that year was \$53,733,439. That was the amount that the Pennsylvania Railroad Co. had for its shareholders; that was the amount that it could use in any way it saw fit for the benefit of the owners of the property and all the property that is included within their capitalization.

Now let us see how it used that money. In the first place, it paid \$2,002,198 to sinking fund. That, of course, is to retire, I assume, some obligations in a certain time. That is a direct payment upon capital, of course, and is for the benefit of shareholders. Next, dividend appropriations of income. It paid \$29,952,222 in dividends for that year. The third item is income appropriated for investment in physical property; that is to say, it took of its net income that belonged to its shareholders, \$15,000,000 and more, and instead of dividing it as dividends among the stockholders it bought property for the

stockholders or constructed property for the stockholders but it was none the less an earning for the shareholders. Then, the next item is miscellaneous appropriations of income, \$2,267,414.

After paying the dividend of 6 per cent—for that is the dividend of the Pennsylvania—and after putting fifteen and a half million dollars in new property and after putting two and a quarter million dollars in some other kind of property, it still had remaining undistributed and undisposed of \$3,996,260 as the result of the year's operation, and when it added that to the surplus which it had accumulated in former years it had at the end of the year, after all expenses and charges and interest and dividends, and after it had taken nearly \$18,000,000 for the purchase of new property, it had with which to begin the year, a surplus of \$29,541,830, being the accumulation of that year and of previous years.

I have gone carefully into this and somewhat in detail, and I know in a wearisome way, but I think it is due to the members of the Senate who care to acquaint themselves with the subject, who care anything about the enormous burden that we are assuming, to know what is meant by "railway operating income," and what is meant by "net income," and what the two combined will do for the stockholders, as well as for the bondholders of the railway companies.

With that explanation I take up again the table furnished me by the Interstate Commerce Commission.

If the guaranty which is proposed in this bill is given, the stock of the Pennsylvania Railroad Co. will earn in each year of Federal control 8.92 per cent. In stating that I am assuming that the income of the property from other sources—that is, outside of the operating income—will be the same that it has been in the three years* that are past.

Mr. THOMAS. Mr. President—

The PRESIDING OFFICER (Mr. SHEPPARD in the chair). Does the Senator from Iowa yield to the Senator from Colorado?

Mr. CUMMINS. I yield.

Mr. THOMAS. May I ask the Senator if that includes the interest on the bonded debt?

Mr. CUMMINS. The interest upon the bonded debt has all been taken out, as well as all other debts.

Mr. THOMAS. Then the eight and odd per cent is net?

Mr. CUMMINS. The 8.92 per cent is net—net to the stockholders.

Mr. THOMAS. After the payment of the bonded interest?

Mr. CUMMINS. After all expenses of operation, maintenance, depreciation, taxes, fixed charges and interest are paid; and that will be true of each one of these companies which I am about to name.

Mr. KING. Mr. President, would that include the war taxes, too?

Mr. CUMMINS. It does not include the war tax. I suppose the Senator from Utah has reference to the war tax of 1917.

Mr. KING. October, 1917.

Mr. CUMMINS. It does not include that. We all have to bear our war taxes. Certainly I do not want to guarantee these companies against their war taxes.

Mr. SMITH of Michigan. Mr. President—

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

Mr. CUMMINS. I do.

Mr. SMITH of Michigan. If I correctly gather what the Senator has said, the Pennsylvania Railroad Co. under this proposed arrangement would net nearly 3 per cent more than they have been able to net under their unrestricted management in normal times?

Mr. CUMMINS. No.

Mr. SMITH of Michigan. Well, 2.7 per cent.

Mr. CUMMINS. I think that is hardly right, because the Pennsylvania Co. has been earning these amounts in the past.

Mr. SMITH of Michigan. Yes; but, notwithstanding all that, it is proposed by this bill to give them a sum in excess of what they would earn in ordinary, normal times; is it not?

Mr. CUMMINS. I think that is the proposal, if you qualify it by saying "ordinary, normal times." I am not asserting that we are proposing to give to the Pennsylvania Railroad Co. more than it earned during the year 1916.

Mr. SMOOT. Mr. President—

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

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

Mr. SMOOT. My colleague [Mr. KING] asked the question as to whether this covered war taxes. I doubt very much whether there are more than two or three railroads in the United States that will have to pay war taxes under the present

law. They do have to pay the increased surtax; but as far as the excess-profits tax is concerned, I think there are only two railroads in the United States that will pay any excess-profits tax. The Pennsylvania will not have to pay any.

Mr. STONE. The New York Central would.

Mr. SMOOT. The Union Pacific would.

Mr. CUMMINS. I think the Senator from Utah is probably right; but, however that may be, the taxes for the first half of the year 1917, whatever they may be under the act of 1917, are not deducted as expenses from the operating revenue.

Mr. NORRIS. Mr. President—

The PRESIDING OFFICER. Does the Senator from Iowa yield to the Senator from Nebraska?

Mr. CUMMINS. I yield.

Mr. NORRIS. I wish the Senator in this connection would tell us how the average income for the three years mentioned in the bill compares with the average income of the railroads in normal times.

Mr. CUMMINS. If the Senator will tell me what he regards as normal times it will be easier for me to answer the question.

Mr. NORRIS. Well, before the war. I want to know, and I think the Senate would like to know, how the income of the three years that have been selected for the average compares with the income of 10 years preceding.

Mr. CUMMINS. I am just estimating it, but I think the average of the 3 years would be \$150,000,000 a year more than the average for 10 years.

Mr. NORRIS. Then is it true that the three years selected are practically the most profitable dividend-paying years in the history of railroading in this country?

Mr. CUMMINS. The years 1916 and 1917, with practically all the railroads, and certainly as to the aggregate, show a net operating income very far in excess of any other years in the history of the country. For instance, the net operating income of all the railroads for 1916 was, in round numbers, \$1,050,000,000. For the year before, 1915, the same net operating income was only about \$755,000,000. The net operating income for the year 1917 is about one billion and forty million dollars. I am speaking in round numbers; I do not remember the exact sum. But those two years go far beyond any other year in amount. I think it is true that there are some years in which the rate of return upon what they call their book value was larger, or as large, anyhow, as during the year 1917; but so far as amounts are concerned, there are no years comparable with 1916 and 1917.

Mr. JOHNSON of South Dakota. Mr. President—

Mr. CUMMINS. I yield to the Senator from South Dakota.

Mr. JOHNSON of South Dakota. I understood the Senator to answer the question of the Senator from Colorado that the net income of this particular road, the Pennsylvania, was something over 8 per cent after all deductions had been made, of course, of the interest on bonds and various other things. That is true, is it?

Mr. CUMMINS. I said the net income which we will guarantee. In other words, we guarantee an operating income for the Pennsylvania Railroad; and that operating income carried into its net income will pay on all the stock of the Pennsylvania Railroad 8.92 per cent.

Mr. JOHNSON of South Dakota. Another question: That is regardless of the amount of bonds. Suppose, then, that a railroad should be built at a cost of \$25,000 a mile, and they should immediately turn around and bond that road for forty or fifty thousand dollars a mile, as has been done at various times. Would not the net income which they receive be that much more proportionately on that part of the income than the difference between the bonds and the actual cost of the road?

Mr. CUMMINS. It would be if that had been true of any past transaction of the Pennsylvania Road. Of course, our guaranty to the Pennsylvania Road would not cover the issuance of bonds in the future, because we have that within our control.

Mr. JOHNSON of South Dakota. I only speak of it in a general way, wishing to get that matter clear in my mind.

Mr. CUMMINS. The New York Central Railroad will be guaranteed 12.96 per cent upon its capital stock.

The Baltimore & Ohio will be guaranteed 5.83 per cent.

The Pennsylvania Co., as distinguished from the Pennsylvania Railroad Co. will be guaranteed 11.92 per cent.

The Philadelphia & Reading Railway Co. will be guaranteed upon its stock 25.70 per cent.

The Delaware, Lackawanna & Western Railroad Co. will be guaranteed 32.90 per cent upon its stock.

Mr. HITCHCOCK. Mr. President—

The PRESIDING OFFICER. Does the Senator from Iowa yield to the Senator from Nebraska?

Mr. CUMMINS. I yield.

Mr. HITCHCOCK. I should like to understand to what extent these companies will be permitted to pay dividends to their stockholders out of these profits.

Mr. CUMMINS. There is a subsequent provision in the bill that without the consent of the President they shall pay no larger dividends than they have been in the habit of paying heretofore.

Mr. HITCHCOCK. Then in the case of the Pennsylvania Road, for instance, which has been paying 6 per cent, as I recall, it will not be permitted to pay the 8½ per cent to which the Senator has referred?

Mr. CUMMINS. I do not know. They will not be permitted to pay it without the consent of the President.

Mr. HITCHCOCK. With the President's consent, then, they might be permitted to distribute all of these earnings in dividends?

Mr. CUMMINS. Oh, yes; precisely.

The Michigan Central Railroad is guaranteed an income that will pay 18.48 per cent upon its capital stock, and I suppose a large part of the stock of the Michigan Central is owned by the New York Central.

The Central Railroad of New Jersey is guaranteed an income that will pay 20.25 per cent upon its stock.

Mr. HITCHCOCK. Mr. President—

The PRESIDING OFFICER. Does the Senator from Iowa further yield to the Senator from Nebraska?

Mr. CUMMINS. I yield.

Mr. HITCHCOCK. One more question: Will the Senator from Iowa state whether the President also has authority to require the investment of some of the surplus earnings in betterments on the roads?

Mr. CUMMINS. The bill provides that he can require railroad companies to better and improve their properties; but, of course, if they do, then we have to begin to pay interest upon that.

Mr. HITCHCOCK. Not during the operation of this bill.

Mr. CUMMINS. Surely, unless they are taken out of earnings.

Mr. HITCHCOCK. I am assuming that they are taken out of earnings. Take the case of the Pennsylvania for a concrete case. The Government, under this bill, guarantees a net operating earning of 8½ per cent, is it?

Mr. CUMMINS. 8.92 per cent.

Mr. HITCHCOCK. 8.9 per cent. If the President simply permits them to earn their 6 per cent dividend as heretofore, and requires them to put into betterments the remaining 2.9 per cent, will they be permitted to have guaranteed earnings on that additional amount invested in betterments?

Mr. CUMMINS. This bill provides that so long as the Government is in possession of the property the compensation shall not be increased on that account if the betterments are made out of earnings.

Mr. HITCHCOCK. Yes.

Mr. CUMMINS. But instantly the roads are returned to their owners, then they begin to charge the public rates that will make returns upon these added values. But I want the Senator from Nebraska to bear in mind that what I am trying to do is to take that 2.92 per cent, in the case of the Pennsylvania Road, and put it into the Treasury of the United States, unless the Director General or the President uses it in the betterment and in the improvement of the property so far as the public needs may require. We have reached a time when it seems to me that if the payment of 6 per cent upon all the capital stock of the Pennsylvania Railroad Co., and the payment of all the interest upon all its indebtedness together constitute fair and just compensation for the use of the property under all the circumstances, it should be for the Government to take this surplus and use it in the development and betterment of the property; and when it is returned to the Pennsylvania Road, if it ever is returned, let us return it under such conditions that the company will not be permitted at any time to charge the public for a return upon values so created.

Mr. HITCHCOCK. One other question: Under the construction which the Senator from Iowa desires to put upon this law, or under the form in which he desires to put it, would the railroads during the next year earn as much and receive as much as they received during the average of the past three years?

Mr. CUMMINS. Mr. President, one can only conjecture about that. The business of the United States may collapse at any moment. There seems to be a disposition to limit the business of the United States now to such businesses as are absolutely necessary to carry on the war. If that policy is pursued, it is perfectly apparent that the volume of traffic will very greatly diminish, and the revenues of these railroads will be very much less.

Mr. HITCHCOCK. The Senator has misunderstood my question. Suppose the bill is amended to suit his views: I ask him then whether the guaranty which he would make would give as great compensation to the roads for the next year as they have received for the average of the last three years?

Mr. CUMMINS. It would not. That is the very thing I am complaining about—that we are guaranteeing these roads their average income under rates that ought to shock the mind of any man who gave examination to the subject; rates that were only permissible because it was necessary to maintain them in order to enable 200,000 miles of the railways in this country to survive. We have been compelled to enrich the Pennsylvania, the New York Central, the C. B. & Q., the North Western, the Union Pacific, in order that other and less favored or less fortunate competitors might live.

Mr. HITCHCOCK. Then the fact is that the Senator from Iowa proposes in this bill to regulate and reform the railroad incomes of the United States.

Mr. CUMMINS. No. I am proposing to give them a great deal more than they ought to have. I can not understand the mind of any man who believes that these railroads ought to have the income of the last three years just because they have earned such an income in the last three years. That to me is a proposal that is much more mysterious than any of the problems of the tariff with which we have struggled in times gone by. I do not believe that simply because the railways have earned these sums of money in the last three years therefore they are entitled to earn them in the future. I do not believe that the earnings of a railway property form a measure for estimating or determining the value of the railway property. The earnings for the last three years would indicate that the railroad property of the United States was worth more than \$21,000,000,000. I do not believe it. I do not think that there has been \$12,000,000,000 of independent capital invested in the railway properties of the United States, and I for one intend, so long as my strength endures, to protest against the proposed capitalization of excessive earnings and the unearned increment; and that is what this bill is intended to accomplish.

Mr. HITCHCOCK. Mr. President, I do not want the Senator to assume that I am out of sympathy with his position.

Mr. CUMMINS. Oh, I understand it.

Mr. HITCHCOCK. There is much justification for it; I live in a State in which the prosperous railroads earn very large returns upon their investment; but I wanted to get clearly before the Senate whether the Senator proposes in this bill, which is an emergency measure and a war measure, to really reform the railroad earnings of the country as a permanent policy.

Mr. CUMMINS. Not at all. I propose to offer them what I regard as just compensation for the use of their property.

Some people seem to think that in the emergency, because the United States is struggling for its life, because we are about to call upon all the energies of the people to support our armies and our navies, now is the appropriate time to give the railroads a great deal more than they ought to have. There seems to be an impression that everybody should suffer but the railway companies in the distribution of our burdens. I would very much rather give the railroads this income in time of peace than in time of war. I might find it possible to justify these exactions if we were going forward in a normal way with an opportunity for earnings and profits such as we formerly enjoyed; but I have a good deal of contempt for the profiteers in the conflict in which we are now engaged.

Mr. STONE. Mr. President—

Mr. CUMMINS. I yield to the Senator from Missouri.

Mr. STONE. As I understand the Senator, he objects to the earnings of the railroads he names. His remarks may be applicable to all railroads, but I refer to those he names. He thinks they have been earning unusual, rather what I may characterize as abnormal, profits during the years 1916 and 1917, and that that ought not to be made the basis for compensation to the railroads for the use of their properties during the remainder of the war. If it be true that during the years he mentions, embraced in the period of the war, these earnings have been made by the railroads named, and if it is to be presumed, as I submit it may reasonably be presumed, although I am not arguing the question one way or the other, that like earnings could be made by the same railroads during the current year and the next year, if the war goes on, then during the time while the Government has possession of the railroads I am a little puzzled to know why the capacity earnings of the railroads during the period of the war should not be made a fair basis of compensation for that period.

The bill limits the occupation and control of the railroads to the period of the war, or substantially that. I ask the Senator to inform me if the Pennsylvania or the New York Central or

any other railroad earned a certain per cent of profit out of its total business during the years 1916 and 1917, a war period, and could earn in reasonable expectation a similar per cent during the remaining years of the war, whatever it may be, why that would not be a fair basis of compensation for the time we are to have control of the properties.

Mr. CUMMINS. Upon the basis of the question of the Senator from Missouri, why should we guarantee anything? Why not let the roads earn what they can and let them take what they earn. As far as I am concerned, I am quite—

Mr. STONE. But the Government is going to operate the railroads.

Mr. CUMMINS. I know, and that is it precisely. Our whole thought seems to be for the railroads. Here are the railroads in the midst of war and the Government thinks they ought to be managed under the direction of the Secretary of the Treasury. All the officers of the companies are retained, all the employees of the companies are retained. We are guaranteeing to the presidents and managers of these big companies their tremendous salaries. We are guaranteeing to all these officers, and I have no doubt they have earned their money in times past, the compensation which they have formerly received, and I commend that spectacle to the Senator from Missouri when he comes to argue this matter elsewhere. But I am willing to do that if the railroads will take their chances. Give each railroad what it earns under Government direction—

Mr. ROBINSON. Mr. President—

Mr. CUMMINS. And if a railroad does not earn anything let it suffer, and if another railroad earns very much let it profit. But we are proposing to make certain what is uncertain. It is just the difference between a Government bond and the note of a speculator without fixed responsibility. You can not—

Mr. ROBINSON. Mr. President—

The PRESIDING OFFICER. Does the Senator from Iowa yield to the Senator from Arkansas?

Mr. CUMMINS. In just a moment. You can not float one at the same rate of interest that you float the other. I yield to the Senator.

Mr. ROBINSON. The Senator from Iowa has asked what is the necessity for a Government guarantee to the railroads, and he has indicated—

Mr. CUMMINS. No; before the Senator from Arkansas begins, what I stated was in view of the question put by the Senator from Missouri [Mr. STONE]. I understand the necessity of guaranteeing an income and I believe in guaranteeing an income.

Mr. ROBINSON. Very well, but certainly the plain indication of the Senator's question was that Congress was doing an injustice to the public in making any guarantee at all, for he followed the question with the declaration that he was willing that the railroads under Government control and operation should be left to earn what they could and to receive what they earned. The Senator now states that he did not intend any such implication.

Mr. CUMMINS. No, I hope I did not say anything of that kind. The Senator from Arkansas misunderstood me. The Senator from Missouri was propounding a question and wanted to know why we could not guarantee the earnings which these companies would receive in the years of the war and for 18 months thereafter, and I said that I was willing that they should receive those earnings, but I hope the Senator from Arkansas did not understand that I am so insane as to think we ought not to accompany this transition with a guarantee.

Mr. ROBINSON. If the Senator will permit me, I repeat, the implication which I thought was contained in his answer to the question of the Senator from Missouri, and his declaration was that he was willing that the railroads should be left to earn what they could and to receive what they earned without a Government guarantee; so no guarantee should be made.

In this connection, with the Senator's permission, I will state that the unified operation of the railroads under Federal control will undoubtedly very materially affect the earnings of all the railroads under that control. It will enable some of the railroads to earn very much more than they would have earned under private control and it will prevent many of the railroads from earning as much as they would under private control, and therefore arises the necessity for a Government guaranty of some kind.

Mr. CUMMINS. The statement of the Senator from Arkansas is unanswerable. It would be in the last degree unwise for the Government to assume the direction of the railroads of the United States without making provisions for the necessary income for the railroads. I was simply suggesting that if this bill was founded upon the assumption that the railroads would earn these sums of money in the next two or three years it must be borne in mind that their capacity to earn is conjectural. No human being can determine what they will earn. The whole

commercial fabric of the United States may collapse long before the period of Federal control ends. Commerce may diminish, but the pay of the railroads goes on just the same. The guarantee of the Government is binding upon us no matter what may be the consequences of the war.

If I may proceed with this table, I notice that to the Bessemer & Lake Erie Railroad Co. we propose a guarantee in the sum of 647 per cent upon its stock, upon the Chicago & Erie 70 per cent, upon the Hocking Valley 11.94 per cent.

Mr. POMERENE. Mr. President—

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

Mr. CUMMINS. I yield.

Mr. POMERENE. The Senator has referred to the Bessemer & Lake Erie Railroad Co. and the guarantee of 647 per cent on the capital stock. Can the Senator inform us as to the amount of capital actually invested in that company?

Mr. CUMMINS. I can not, but—

Mr. KNOX. Mr. President—

Mr. CUMMINS. I think I can tell you.

Mr. POMERENE. If I may interrupt the Senator, the Senator from Minnesota [Mr. KELLOGG] the other day in his very able argument gave us a statement of the property valuation of that company. I do not remember the number of million dollars, but assuming that the property statement was correct the earnings of that company would only be about 10 per cent on the investment.

Mr. KNOX. Mr. President, I happen to know a good deal about the Bessemer & Lake Erie Railroad. It is not a railroad in the ordinary sense at all. It is a mere incident to the Carnegie Steel Co.'s business. It is a road built to enable them to carry their own ore from Lake ports to Pittsburgh, so that they might operate their mines in the Minnesota regions more economically than if they had their ore hauled by the Pittsburgh & Lake Erie Railroad. It was owned entirely within the Carnegie Steel Co. and capitalized at only \$500,000, although it operates property worth in the neighborhood of thirty-five or forty million dollars. The earnings are not at all excessive. They do not represent hundreds of per cent; they represent practically a little less than 10 per cent upon the entire capital invested. Those figures are very misleading because of that fact.

Mr. CUMMINS. Mr. President, I am not to blame for the deception in the figures. I am simply reading from the report made by this company to the Interstate Commerce Commission.

Mr. KNOX. I only state the facts. The report does mislead; I do not say the Senator does but the report misleads, because there is no analogy between that property and other railroad property.

Mr. CUMMINS. I quite agree with that. It is a very smaller matter. It is a small railroad.

Mr. KNOX. It is, however, just as well to have it correct.

Mr. CUMMINS. I think if that railroad stood alone it would hardly be worthy of comment, and I only read it in order to indicate the application of a rule of the sort that I am opposing.

I turn now to other railroads in the table, to which I shall often refer. The Illinois Central Railroad will be guaranteed a net income of 11.33 per cent upon its capital stock; the Louisville & Nashville an income of 16.75 per cent; the Norfolk & Western an income of 12.51 per cent; the Atlantic Coast Line 10.80 per cent. I shall only mention a few of the principal companies in order that the full significance of what we are doing can be understood.

I turn to the western district and find that our guarantee together with other income which the company possesses will furnish to the Atchison, Topeka & Santa Fe a return of 9.70 per cent upon its capital stock. The Chicago & North Western will be guaranteed an income of 10.18 per cent; the Chicago, Burlington & Quincy, 22.05 per cent; the Minneapolis, St. Paul and Sault Ste. Marie, 12.09 per cent. So I might proceed naming all these railroads which compose the 140,000 miles which my amendment will affect. It is sufficient to say that the average guaranteed income upon capital stock in the eastern district is 11.48 per cent; the average in the southern district is 12.37 per cent, and the average in the western district is 9.96 per cent. Of course these averages are applied only to the roads which have in the last three years earned a net income of more than 5 per cent upon the capital stock.

Mr. President, I have presented the effect of this bill with a great deal of earnestness and at very great length. The subject, I think, interests the people of this country more than any other matter. It is obvious that when these incomes are guaranteed, when wages are increased, as they will be, when the cost of operation increases as it must, the rates which are to be paid by the people of the country for the transportation of their commerce will also be increased.

I think that is the purpose of those who originated the plan which we are asked to approve to increase rates for transportation. There has been a struggle for years, intense, comprehensive, to increase rates. Those who have desired increases have been but partially successful. Whenever the Government guarantees the income which is here proposed, that struggle will have ended in victory for the carriers and these properties will be returned, if they ever are returned, to their owners burdened with a system of rates which will impose unreasonable, unfair taxes or impositions upon the people of the country who are least able to bear their burdens.

I can not avoid the conclusion that we are here proposing to pay for the use of this property at least \$175,000,000 per year more than just compensation for its use. I have endeavored to show why my mind tends toward that conclusion. I shall offer an amendment which will not interfere with the payment of interest upon the railway securities, which will not interfere with the payment of any dividends that have heretofore been paid, whether it be 5 per cent or 8 per cent, but which will, when applied to these 86 systems and railroad companies, reduce our guaranty substantially \$175,000,000 per year.

Remember that we are undertaking to maintain the properties. We are undertaking to finance them. If enlargements should be necessary, we are undertaking to so deal with them that at the end of the period of Government control they shall be returned to their present owners in as good condition as they now are. All that the owners will lose will be their use in the meantime, and, Senators, if the catastrophe through which we are now passing, if in this world-wide and world-destroying struggle the railway properties can enter and emerge in full complete condition, ready again to perform their service for commerce and receive while they are passing through this ordeal all the interest upon their bonds and all the dividends upon their stock guaranteed and insured by the Government, they ought to be content. To do more for them is to encourage and establish a system of profiteering which the people of the country will condemn and repudiate.

I wonder that the railway owners of the country are not wise enough, have not vision enough, to look forward to the end of this war. We will win the war. No matter how long the struggle may continue we will win the war; but the vital conflict in the interest of the American people will be confronted after the war. I can not help but think that the owners of these vast properties would be wiser if they would recall what is now transpiring in Russia. It would seem to be instructive if they would remember what is moving beneath the surface in Germany. It would help them, I am sure, to a sound judgment if they would look across the sea upon the unrest which is disturbing Great Britain. It is idle to think that America can escape the influences of that great movement sweeping over the earth.

I, for one, as I said before, believe in property; I believe in law; I believe in order; I believe in the Constitution; and I should like to do something to strengthen American institutions against the shock which they are sure to experience. We can not fortify ourselves against that vital moment by taking from the people of this country the money which is proposed in this bill and paying it to the railway corporations.

Mark my words, that the multitudes of America will believe that we are taking from them \$175,000,000 annually more than they ought to pay. Remember what I say, that in the days to come they will decide that we have taken from them this vast sum of money and without reason, or without justice, or without necessity have transferred it to coffers already overflowing with riches. I beg the Senate not to do it. If it values stability, if it desires peace and content among the people, if it wants to preserve the love and the affection and the enthusiasm of the people of this country, so that we can press forward with all our strength to a world victory for justice and order, let us not do this unjust thing.

Mr. President, I ask that the table which I referred to, as having been prepared by the Interstate Commerce Commission may be printed as a part of my remarks.

The PRESIDING OFFICER (Mr. KING in the chair). Without objection the request of the Senator from Iowa will be granted.

The table referred to is as follows:

INTERSTATE COMMERCE COMMISSION,
DIVISION OF STATISTICS,
Washington, February 5, 1918.

The statement covers Class I operating roads whose ratio of average annual net income to capital stock was over 5 per cent for the three years ended June 30, 1917. The totals, by districts, are as follows:

| District. | Proposed standard return (A). | Railway operating income for the year ended June 30, 1917, modified as in standard return (D). | Net income less dividends and sinking fund appropriations for the year ended June 30, 1917 (E). | Modified standard return under the proposed amendment (F). | Difference between standard return in S. 3632 and modified standard return. |
|---------------|-------------------------------|--|---|--|---|
| | (b) | (f) | (g) | (f) (g) (h) | (b) (h) (i) |
| Eastern..... | \$271,832,392 | \$287,529,552 | \$76,861,276 | \$226,628,725 | \$65,235,657 |
| Southern..... | 199,931,987 | 128,147,658 | 62,874,878 | 65,272,780 | 35,659,217 |
| Western..... | 299,214,232 | 341,618,298 | 104,227,284 | 227,394,724 | 72,219,538 |
| Total..... | 671,978,641 | 757,295,508 | 243,963,438 | 498,934,229 | 173,074,412 |

In compiling the data consolidations, reorganizations, etc., were not given consideration, as to analyze all such cases would consume more time than was available. It is probable that the omission would not materially affect the totals.

Statement showing for the roads named certain figures based on interpretations of Senate bill 9532 and of the proposed amendment, compiled from data as returned in the annual reports of the carriers named to the Interstate Commerce Commission.

| Road. | Proposed standard return. (A.) | Capital stock actually outstanding. Average for the three years ended June 30, 1917. (B.) | Average net income for the three years ended June 30, 1917. (C.) | Average per cent of net income to capital stock. (d)÷(c). | Railway operating income for year ended June 30, 1917, modified as in standard return. (D.) | Net income less dividends and sinking fund appropriations for the year ended June 30, 1917. (E.) | Modified standard return under the proposed amendment. (F.) (f)-(g). | Difference between standard return in S. 3632 and modified standard return. (b)-(h). |
|--|--------------------------------|---|--|---|---|--|--|--|
| (a) | (b) | (c) | (d) | (e) | (f) | (g) | (h) | (i) |
| EASTERN DISTRICT. | | | | | | | | |
| <i>Per cent.</i> | | | | | | | | |
| Pennsylvania R. R. Co..... | \$49,764,485 | \$499,195,597 | \$44,534,939 | 8.92 | \$47,948,734 | \$14,473,083 | \$33,475,651 | \$13,288,835 |
| New York Central R. R. Co..... | 53,511,241 | 249,676,123 | 32,367,229 | 12.93 | 58,188,321 | 21,259,322 | 36,928,999 | 16,582,242 |
| Baltimore & Ohio R. R. Co..... | 25,403,074 | 210,809,812 | 12,283,229 | 5.83 | 26,148,113 | 2,367,279 | 23,780,834 | 1,622,149 |
| Pennsylvania Co..... | 14,853,558 | 80,000,000 | 9,537,859 | 11.92 | 13,967,372 | 354,938 | 13,612,434 | 1,238,122 |
| Philadelphia & Reading Ry. Co..... | 15,928,993 | 42,481,700 | 10,916,875 | 25.70 | 17,413,452 | 6,037,921 | 11,375,531 | 4,533,482 |
| Delaware, Lackawanna & Western R. R. Co..... | 15,855,114 | 42,220,409 | 13,890,560 | 32.90 | 16,541,813 | 8,064,744 | 8,477,069 | 7,378,045 |
| Pittsburgh, Cincinnati & Chicago & St. Louis R. R. Co..... | 10,195,615 | 67,511,723 | 4,558,593 | 6.75 | 13,391,545 | 1,270,315 | 10,195,615 | ..... |
| Lehigh Valley R. R. Co..... | 11,083,603 | 60,608,000 | 7,169,999 | 11.83 | 10,754,534 | 1,029,268 | 9,725,266 | 1,358,340 |
| Cleveland, Cincinnati, Chicago & St. Louis Ry. Co..... | 9,985,039 | 57,027,209 | 5,048,902 | 8.85 | 11,781,922 | 6,589,013 | 5,192,909 | 4,792,133 |
| Michigan Central R. R. Co..... | 8,099,779 | 18,733,400 | 3,463,464 | 18.48 | 8,568,841 | 1,391,115 | 7,177,726 | 922,053 |

NOTE A.—Based on the average annual "Railway operating income," plus or minus the net debits or credits of hire of equipment; equipment rents, and joint facility rents, for the three years ended June 30, 1917. Railway operating income is railway operating revenues less railway operating expenses, railway taxes and uncollectible railway revenues.

NOTE B.—Represents the average annual par value of common and preferred stock outstanding and not held by or for the issuing company, for the three years ended June 30, 1917.

NOTE C.—"Net income" is "Railway operating income" plus nonoperating income and minus deductions for interest, rents, and certain other fixed charges.

NOTE D.—Based on the latest available figures which are used for illustration only. (See also Note A.)

NOTE E.—Represents "Net income" as reported, less appropriations from income and surplus for sinking and other reserve funds and for dividends. It is possible that it may be more appropriate to consider other items in arriving at this figure, but to expedite the work only the two items mentioned were used.

NOTE F.—In some cases it is possible that the amount shown will need to be increased to provide for the regular dividends, because of fluctuations in nonoperating income items. Where the figures are the same as shown in column (b) the amendment is not understood to supersede the original provisions of the bill.

Statement showing for the roads named certain figures based on interpretations of Senate bill 3632 and of the proposed amendment, compiled from data as returned in the annual reports of the carriers named to the Interstate Commerce Commission—Continued.

| Road. | Proposed standard return. (A.) | Capital stock actually outstanding. Average for the three years ended June 30, 1917. (B.) | Average net income for the three years ended June 30, 1917. (C.) | Average per cent of net income to capital stock. (d)+(c). | Railway operating income for year ended June 30, 1917, modified as in standard return. (D.) | Net income less dividends and sinking-fund appropriations for the year ended June 30, 1917. (E.) | Modified standard return under the proposed amendment. (F)-(g). | Difference between standard return in S. 3632 and modified standard return. (b)-(h). |
|---|--------------------------------|---|--|---|---|--|---|--|
| (a) | (b) | (c) | (d) | (e) | (f) | (g) | (h) | (i) |
| EASTERN DISTRICT—continued. | | | | | | | | |
| Central R. R. Co. of New Jersey..... | \$9,313,973 | \$27,436,800 | \$5,556,775 | 20.25 | \$9,724,798 | \$2,093,157 | \$7,631,641 | \$1,682,332 |
| Delaware & Hudson Co..... | 7,415,150 | 42,502,600 | 5,437,547 | 12.79 | 6,354,377 | 115,649 | 6,238,728 | 1,176,422 |
| Philadelphia, Baltimore & Washington R. R. Co..... | 3,661,608 | 25,571,000 | 2,941,156 | 11.50 | 4,405,575 | 1,891,995 | 2,513,579 | 1,146,022 |
| Pittsburgh & Lake Erie R. R. Co..... | 9,051,626 | 31,991,200 | 7,537,923 | 23.56 | 9,542,425 | 1,655,137 | 9,051,626 | ..... |
| Elgin, Joliet & Eastern Ry. Co..... | 2,867,702 | 10,000,000 | 945,239 | 9.45 | 2,605,512 | 122,438 | 2,627,950 | 239,732 |
| Maine Central R. R. Co..... | 2,970,826 | 18,199,317 | 1,605,075 | 8.82 | 3,257,175 | 696,683 | 2,560,492 | 410,340 |
| Buffalo, Rochester & Pittsburgh Ry. Co..... | 3,276,410 | 16,500,000 | 1,569,921 | 9.45 | 3,510,448 | 597,541 | 2,912,907 | 363,503 |
| Bessemer & Lake Erie R. R. Co..... | 4,745,332 | 500,000 | 3,236,080 | 647.22 | 4,821,261 | 2,234,014 | 2,587,247 | 2,158,085 |
| Chicago & Erie R. R. Co..... | 228,186 | 100,000 | 70,449 | 70.45 | 8,211 | 109,132 | 1,117,342 | 345,528 |
| Hocking Valley Ry. Co..... | 2,665,004 | 10,999,593 | 1,313,129 | 11.94 | 3,370,767 | 1,747,785 | 1,622,982 | 1,042,022 |
| West Jersey & Seashore R. R. Co..... | 956,867 | 10,317,983 | 691,139 | 6.70 | 995,075 | 141,920 | 853,155 | 103,712 |
| Central New England Ry. Co..... | 1,470,608 | 8,547,200 | 717,566 | 8.40 | 1,510,731 | 615,118 | 895,613 | 574,995 |
| New York, Philadelphia & Norfolk R. R. Co..... | 998,311 | 2,500,000 | 893,508 | 35.74 | 1,175,032 | 711,121 | 463,911 | 534,400 |
| Rutland R. R. Co..... | 1,026,227 | 9,150,300 | 575,651 | 6.29 | 1,121,184 | 518,804 | 610,380 | 415,847 |
| Bangor & Arostook R. R. Co..... | 1,557,656 | 4,079,067 | 337,808 | 8.28 | 1,746,135 | 391,823 | 1,354,312 | 213,344 |
| Cumberland Valley R. R. Co..... | 1,261,941 | 5,333,550 | 1,289,684 | 24.01 | 1,558,963 | 1,116,564 | 442,405 | 819,536 |
| Kanawha & Michigan Ry. Co..... | 1,396,255 | 9,000,000 | 991,665 | 11.02 | 1,447,115 | 704,126 | 742,989 | 563,266 |
| Lewish & New England R. R. Co..... | 1,155,024 | 6,000,000 | 819,722 | 13.65 | 1,179,287 | 345,779 | 833,508 | 321,516 |
| Chicago, Terre Haute & South Eastern Ry. Co..... | 926,804 | 4,300,000 | 231,761 | 5.46 | 1,251,092 | 469,893 | 781,292 | 145,512 |
| Lewish & Hudson River Ry. Co..... | 525,315 | 1,340,000 | 374,915 | 27.98 | 525,791 | 217,843 | 307,948 | 217,367 |
| Monongahela Ry. Co..... | 583,175 | 3,809,333 | 352,809 | 9.26 | 615,154 | 259,927 | 355,227 | 227,943 |
| Cincinnati Northern R. R. Co..... | 322,799 | 3,000,000 | 268,573 | 8.95 | 377,724 | 219,907 | 157,817 | 164,982 |
| Port Reading R. R. Co..... | 169,236 | 2,000,000 | 182,547 | 9.13 | 42,971 | 1,103,337 | 149,308 | 19,923 |
| Detroit & Toledo, Shore Line R. R. Co..... | 462,061 | 1,428,000 | 348,030 | 24.37 | 462,238 | 239,805 | 222,493 | 239,598 |
| Buffalo & Susquehanna R. R. Corp..... | 593,466 | 7,000,000 | 496,202 | 7.09 | 743,001 | 299,820 | 443,181 | 150,285 |
| Staten Island Rapid Transit Ry. Co..... | 329,703 | 500,000 | 160,119 | 32.02 | 168,563 | 187,868 | 256,431 | 73,273 |
| Detroit & Mackinac Ry. Co..... | 313,624 | 2,950,000 | 218,976 | 7.42 | 342,555 | 157,735 | 184,820 | 128,801 |
| Total Eastern district..... | 271,832,392 | 1,593,322,780 | 182,921,748 | 11.48 | 287,529,552 | 76,861,276 | 206,626,725 | 65,205,667 |
| SOUTHERN DISTRICT. | | | | | | | | |
| Illinois Central R. R. Co..... | \$16,672,020 | \$109,288,114 | \$12,383,882 | 11.33 | \$22,711,792 | \$13,451,104 | \$9,260,688 | \$7,411,333 |
| Louisville & Nashville R. R. Co..... | 17,509,852 | 72,000,000 | 12,053,810 | 15.75 | 22,731,889 | 12,082,423 | 10,649,466 | 6,849,383 |
| Norfolk & Western Ry. Co..... | 20,882,895 | 138,583,887 | 17,342,810 | 12.51 | 24,183,243 | 10,498,407 | 13,684,836 | 7,178,090 |
| Chesapeake & Ohio Lines..... | 13,205,327 | 62,785,000 | 5,848,431 | 9.31 | 15,633,259 | 5,473,232 | 10,160,027 | 3,105,313 |
| Atlantic Coast Line R. R. Co..... | 10,289,314 | 68,754,703 | 7,424,004 | 10.80 | 12,714,215 | 5,376,338 | 7,337,877 | 2,931,437 |
| Central of Georgia Ry. Co..... | 3,482,855 | 20,000,000 | 1,878,570 | 9.39 | 4,353,315 | 1,937,392 | 2,420,923 | 1,041,033 |
| Nashville, Chattanooga & St. Louis Ry..... | 3,217,945 | 15,994,831 | 2,175,423 | 13.60 | 4,433,794 | 2,804,133 | 1,629,661 | 1,585,319 |
| Mobile & Ohio R. R. Co..... | 2,591,017 | 6,016,803 | 883,037 | 14.76 | 3,142,328 | 1,241,732 | 1,900,593 | 690,421 |
| Cincinnati, New Orleans & Texas Pacific Ry. Co..... | 3,285,023 | 5,443,400 | 2,448,928 | 44.99 | 4,979,323 | 3,315,131 | 1,664,191 | 1,629,831 |
| Florida East Coast Ry. Co..... | 2,858,295 | 10,833,333 | 1,090,321 | 10.05 | 4,007,115 | 2,174,751 | 1,832,332 | 1,025,931 |
| Alabama Great Southern R. R. Co..... | 1,741,801 | 11,210,350 | 1,364,245 | 12.17 | 2,420,082 | 1,220,663 | 1,199,419 | 542,382 |
| New Orleans & North Eastern R. R. Co..... | 1,016,703 | 6,000,000 | 645,449 | 10.77 | 1,368,821 | 571,537 | 797,284 | 219,419 |
| Richmond, Fredericksburg & Potomac R. R. Co..... | 1,195,007 | 4,315,057 | 979,485 | 22.70 | 1,508,012 | 558,470 | 949,542 | 245,465 |
| Georgia Southern & Florida Ry. Co..... | 516,777 | 3,768,000 | 222,186 | 5.90 | 747,160 | 353,353 | 393,807 | 122,970 |
| Charleston & Western Carolina Ry. Co..... | 478,916 | 1,200,000 | 260,036 | 21.67 | 583,845 | 308,683 | 275,162 | 203,754 |
| Gulf & Ship Island R. R. Co..... | 600,705 | 7,000,000 | 373,070 | 5.33 | 616,872 | 298,856 | 318,015 | 282,683 |
| Alabama & Vicksburg Ry. Co..... | 333,781 | 2,100,000 | 300,784 | 17.18 | 497,285 | 272,453 | 224,832 | 108,944 |
| Washington Southern Ry. Co..... | 499,026 | 4,000,000 | 348,641 | 8.72 | 730,923 | 504,627 | 226,296 | 272,730 |
| Atlanta & West Point R. R. Co..... | 259,820 | 2,463,600 | 292,922 | 11.89 | 387,782 | 273,114 | 114,668 | 145,152 |
| Western Railway of Alabama..... | 294,904 | 3,000,000 | 251,851 | 8.39 | 398,619 | 179,446 | 219,173 | 75,731 |
| Total..... | 100,931,987 | 554,745,062 | 68,636,910 | 12.37 | 128,147,658 | 62,874,878 | 65,272,780 | 35,659,207 |
| WESTERN DISTRICT. | | | | | | | | |
| Atchison, Topeka & Santa Fe Ry. Co..... | \$38,139,059 | \$332,323,877 | \$32,230,091 | 9.70 | \$43,078,082 | \$20,209,304 | \$22,868,778 | \$15,272,231 |
| Southern Pacific Co..... | 38,377,277 | 272,725,233 | 17,983,726 | 6.60 | 43,883,903 | 2,187,028 | 38,377,277 | ..... |
| Chicago, Milwaukee & St. Paul Ry. Co..... | 27,214,821 | 233,235,167 | 14,339,613 | 6.15 | 27,978,372 | 186,287 | 27,214,821 | ..... |
| Chicago, Burlington & Quincy R. R. Co..... | 34,040,162 | (G)110,839,100 | (G)24,444,045 | (G)22.05 | (J)40,618,182 | (H)22,363,311 | 18,352,871 | 15,687,291 |
| Chicago & North Western Ry. Co..... | 23,451,674 | 157,591,852 | 16,040,315 | 10.18 | 26,184,531 | 7,562,445 | 18,622,133 | 4,823,533 |
| Great Northern Ry. Co..... | 28,754,713 | 249,361,863 | 24,021,687 | 9.63 | 28,910,903 | 6,514,433 | 22,396,470 | 6,358,303 |
| Northern Pacific Ry. Co..... | 30,383,324 | 247,982,000 | 24,287,781 | 9.87 | 34,943,547 | 10,954,428 | 23,989,119 | 6,394,205 |
| Union Pacific R. R. Co..... | 23,744,051 | 321,835,100 | 31,018,328 | 9.84 | 26,109,295 | 6,295,077 | 19,813,189 | 3,930,892 |
| Minneapolis, St. Paul & Sault Ste. Marie Ry..... | 11,637,004 | (G)37,810,200 | (G)4,571,790 | (G)12.09 | (J)11,847,688 | (H)2,611,881 | 9,235,807 | 2,401,197 |
| Oregon Short Line R. R. Co..... | 10,243,359 | 100,000,000 | 9,381,016 | 9.33 | 12,781,039 | 12,038,103 | 712,934 | 9,530,423 |

¹ Deficit or reverse item.
 NOTE A.—Based on the average annual "Railway operating income," plus or minus the net debts or credits of hire of equipment, equipment rents, and joint facility rents, for the three years ended June 30, 1917. Railway operating income is railway operating revenues less railway operating expenses, railway taxes, and uncollectible railway revenues.
 NOTE B.—Represents the average annual par value of common and preferred stock outstanding and not held by or for the issuing company, for the three years ended June 30, 1917.
 NOTE C.—"Net income" is "Railway operating income," plus nonoperating income and minus deductions for interest, rents, and certain other fixed charges.
 NOTE D.—Based on the latest available figures which are used for illustration only. (See also Note A.)
 NOTE E.—Represents "Net income" as operated, less appropriations from income and surplus for sinking and other reserve funds and for dividends. It is possible that it may have been appropriate to consider other items in arriving at this figure, but to expedite the work only the two items mentioned were used.
 NOTE F.—In some cases it is possible that the amount shown will need to be increased to provide for the regular dividends, because of fluctuations in nonoperating income items. Where figures are the same as shown in column (b) the amendment is not understood to supersede the original provisions of the bill.
 NOTE G.—Figures based on the two years ending June 30, 1915, and June 30, 1916.
 NOTE H.—Year ended December 31, 1916.
 NOTE I.—Partly estimated.
 NOTE J.—Figures based on the two years ending June 30, 1915, and June 30, 1917.

Statement showing for the roads named certain figures based on interpretations of Senate bill 5632 and of the proposed amendment, compiled from data as returned in the annual reports of the carriers named to the Interstate Commerce Commission—Continued.

| Road. | Proposed standard return. (A.) | Capital stock actually outstanding. Average for the three years ended June 30, 1917. (B.) | Average net income for the three years ended June 30, 1917. (C.) | Average per cent of net income to capital stock. (d)+(c). | Railway operating income for year ended June 30, 1917, modified as in standard return. (D.) | Net income less dividends and sinking-fund appropriations for the year ended June 30, 1917. (E.) | Modified standard return under the proposed amendment. (F.) (f)-(g). | Difference between standard return in S. 3632 and modified standard return. (b)-(h). |
|--|--------------------------------|---|--|---|---|--|--|--|
| (a) | (b) | (c) | (d) | (e) | (f) | (g) | (h) | (i) |
| WESTERN DISTRICT—continued. | | | | | | | | |
| Texas & Pacific Ry. Co. (Rec.) | \$4,145,821 | \$38,755,110 | \$2,548,330 | 6.58 | \$5,768,676 | \$4,349,712 | \$1,418,964 | \$2,726,857 |
| Chicago, St. Paul, Minneapolis & Omaha Ry. Co. | 4,955,248 | 29,815,000 | 2,854,452 | 9.57 | 5,460,301 | 1,439,690 | 4,020,611 | 934,637 |
| Duluth, Missabe & Northern Ry. Co. | 5,377,214 | 4,112,500 | 4,693,088 | 114.12 | 7,150,468 | 1,059,334 | 5,377,214 | ..... |
| El Paso Southwestern Co. | (J) 4,256,395 | (G) 25,000,000 | (G) 2,190,198 | (G) 8.76 | (J) 6,112,390 | (H) 2,082,092 | 4,030,298 | 226,097 |
| Houston & Texas Central R. R. Co. | 1,732,973 | 10,000,000 | 1,088,368 | 10.88 | 2,901,747 | 2,276,369 | 625,378 | 1,107,595 |
| Duluth & Iron Range R. R. Co. | 2,398,945 | 5,333,333 | 2,040,987 | 38.27 | 2,633,753 | 606,835 | 2,026,918 | 372,027 |
| Fort Worth & Denver City Ry. Co. | 1,904,975 | 9,243,800 | 1,297,029 | 14.03 | 2,564,989 | 1,330,242 | 1,234,747 | 670,238 |
| Panhandle & Santa Fe Ry. Co. | 1,341,385 | 6,004,500 | 389,097 | 64.37 | 1,983,820 | 1,013,527 | 970,293 | 371,092 |
| St. Louis, Brownsville & Mexico Ry. Co. | 990,237 | 500,000 | 263,544 | 52.71 | 2,046,814 | 1,231,316 | 815,498 | 174,739 |
| Chicago, Rock Island & Gulf Ry. Co. | (J) 961,648 | (G) 469,000 | (G) 83,685 | (G) 17.84 | (J) 1,273,057 | (H) 46,112 | 961,648 | ..... |
| Bingham & Garfield Ry. Co. | 1,299,862 | 6,171,667 | 1,405,681 | 22.78 | 1,812,940 | 38,582 | 1,299,862 | ..... |
| Louisiana Western Ry. Co. | 908,918 | 3,360,000 | 802,684 | 23.89 | 1,372,421 | 1,285,784 | 86,637 | 817,281 |
| Nevada Northern Ry. Co. | 885,023 | 2,000,000 | 879,907 | 43.99 | 1,231,472 | 203,722 | 885,023 | ..... |
| Vicksburg, Shreveport & Pacific Ry. Co. | 347,934 | 4,999,300 | 299,634 | 5.99 | (J) 628,981 | 399,599 | 229,382 | 118,552 |
| Houston East & West Texas Ry. Co. | 377,627 | 1,920,000 | 231,199 | 12.20 | 581,755 | 450,559 | 131,196 | 243,431 |
| Cripple Creek & Colorado Springs R. R. Co. | (K) 369,737 | 757,000 | 171,612 | 22.67 | 529,520 | 131,395 | 369,737 | ..... |
| Colorado & Wyoming Ry. Co. | 333,053 | 100,000 | 162,636 | 162.64 | 415,503 | 106,133 | 309,370 | 23,683 |
| Wichita Valley Ry. Co. | 353,169 | 1,020,000 | 117,936 | 11.56 | 346,926 | 12,974 | 333,952 | 19,217 |
| Arizona & New Mexico Ry. Co. | 302,651 | 2,770,000 | 237,614 | 8.58 | 468,199 | 130,742 | 302,651 | ..... |
| Total | 233,214,262 | 2,210,635,611 | 223,076,073 | 9.96 | 341,618,298 | 104,227,284 | 227,004,724 | 72,203,538 |

NOTE A.—Based on the average annual "Railway operating income," plus or minus the net debits or credits of hire of equipment, equipment rents, and joint facility rents, for the three years ended June 30, 1917. Railway operating income is railway operating revenues less railway operating expenses, railway taxes, and uncollectible railway revenues.

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NOTE D.—Based on the latest available figures which are used for illustration only. (See also Note A.)

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NOTE H.—Year ended December 31, 1916.

NOTE I.—Partly estimated.

NOTE K.—Figures based on the two years ending June 30, 1916, and June 30, 1917.

Mr. ROBINSON obtained the floor.

Mr. POMERENE. Mr. President, I know that the Senator from Arkansas has given a great deal of very careful thought to the bill now pending before the Senate and I feel that Senators ought to hear what he has to say. I therefore suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. KING in the chair). The absence of a quorum being suggested, the Secretary will call the roll.

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

| | | | |
|----------------|------------------|--------------|------------|
| Ashurst | Hardwick | New | Smoot |
| Beckham | Henderson | Norris | Sterling |
| Borah | Hitchcock | Nugent | Stone |
| Calder | James | Overman | Sutherland |
| Chamberlain | Johnson, Cal. | Page | Swanson |
| Cummins | Johnson, S. Dak. | Phelan | Thomas |
| Curtis | Jones, N. Mex. | Pittman | Tillman |
| Dillingham | Jones, Wash. | Poindexter | Trammell |
| Fernald | Kellogg | Pomerene | Vardaman |
| Fletcher | Kenyon | Robinson | Wadsworth |
| France | King | Saulsbury | Watson |
| Frellinghuysen | Knox | Shafroth | Weeks |
| Gallinger | McKellar | Sheppard | Williams |
| Gronna | McNary | Simmons | Wolcott |
| Hale | Martin | Smith, Mich. | |
| Harding | Myers | Smith, S. C. | |

Mr. McKELLAR. I desire to announce that the Senator from Kansas [Mr. THOMPSON] is detained on official business.

The PRESIDING OFFICER. Sixty-two Senators having answered to their names, the Chair announces that a quorum is present. The Senator from Arkansas is recognized.

Mr. ROBINSON. Mr. President, I express the hope that Senators whose other duties will enable them to do so will remain in the Chamber during the brief time that I shall attempt to discuss two matters connected with the bill under consideration.

In all that has been said by the Senator from South Carolina [Mr. SMITH], the Senator from Minnesota [Mr. KELLOGG], and the Senator from Iowa [Mr. CUMMINS] concerning the importance of this measure I heartily concur. Considered from the standpoint of property values involved and the economic issues which are in part, if not wholly, determined by the bill, it is perhaps more far-reaching than any other measure that has come before the Congress.

It is not necessary to argue the wisdom of promptly disposing of the issues raised by the pending legislation. That must be apparent to every Senator. I do not mean to imply that undue haste should occur in determining such important questions as we now consider, but it may with propriety be asserted that all unnecessary delay should be avoided, and the questions now at issue should be determined just as quickly as their importance and nature will permit.

The Director General is very anxious that Congress shall act, for it is necessary to arrange as soon as practicable for certain funds in connection with the maintenance, the depreciation, and the operation of the carriers under his control. It is desirable to end, in so far as legislation can do so, the existing uncertainty as to the status of the railroads and the policy of the Government in the operation of them and to take such action as may be necessary to prevent loss and inconvenience to the carriers and to the public resulting from the lack of necessary arrangements for maintenance and indispensable improvements.

Furthermore, the financial plans and policies of the administration can be much more readily formulated and consummated; the enormous funds necessary to be secured through liberty loans and otherwise for the requirements of the Treasury in the prosecution of the war can be much more readily obtained when the vexing questions connected with this legislation have been answered and the purpose and policy of the Government respecting the control and operation of transportation lines have been definitely fixed by law.

This bill providing for the operation of transportation systems while under Federal control and for just compensation to their owners should be kept before the Senate until disposed of. It ought not to be laid aside for the consideration of appropriation measures or other bills, however important, unless of a very emergent nature.

It is not my intention to undertake at this time a discussion of all the important controverted subjects connected with the bill. I prefer rather to pursue a course which I hope will be helpful to some Senators who desire to understand that feature of the bill immediately under consideration, namely, section 1, relating principally to the authorization of agreements between the Government and the railroads in settlement of the compensation due the owners for the taking of their property by the President. I shall direct my remarks for the pres-

ent principally to the subject of "Compensation." Before entering upon a discussion of this fundamentally important feature of the bill it may not be undesirable to discuss another topic concerning which the Senator from Minnesota [Mr. KELLOGG] has expressed an opinion contrary to that asserted by the Senator from South Carolina [Mr. SMITH] and the Senator from Iowa [Mr. CUMMINS].

SOME OF THE REASONS FOR FEDERAL CONTROL.

The Senator from Minnesota [Mr. KELLOGG], in his very able and instructive address on this bill delivered on Wednesday last stated that, in his opinion, it was unnecessary and unwise for the Federal Government to take possession of and to operate the railroads; that all justifiable ends could have been as readily accomplished through private control and operation under the supervision and counsel of a central authority, the Director General.

The Senator from South Carolina [Mr. SMITH] has forcefully informed the Senate of the reasons requiring the Government to take over the roads and operate them, and the Senator from Iowa [Mr. CUMMINS] has reinforced his position in this regard, expressing the opinion that the Executive should have acted when the war began, and that the only important mistake was in too long delaying action under the act of August 29, 1916.

I believe, and shall attempt to demonstrate, that Federal control and operation were necessary, indeed, almost unavoidable, and that the President acted wisely in not exercising the powers conferred upon him by Congress to take over the railroads and operate them in a time of war until the necessity for such action had been recognized by public opinion. For the Government to take possession of and use the railroads was a very radical step, involving it in great liabilities and responsibilities. And it does not seem to me to be a proper subject of censure or criticism that the Chief Executive was not hasty in exercising the very extraordinary authority.

The Senator from Minnesota [Mr. KELLOGG] does not, in my opinion reflect the prevailing judgment among other well-informed students of transportation conditions in the United States when he declares that it was unnecessary and unwise to take over and operate the railroads during the present war. His legal knowledge, his broad experience and devotion to the public interest give force to any opinion he may express, but it seems to me that the weight of the argument is against his contention. With no disposition to assert myself as an authority on the subject, I take the liberty of summarizing briefly some of the arguments which, to my mind, conclusively justify the taking and operation of the railroads by the Government under existing conditions.

During recent years railroad extensions and construction have not kept pace with the requirements of commerce. It would not be profitable to enter upon a discussion of the reasons for the partial suspension of railroad building in the United States during late years. It is the fact which is important in this debate. While traffic was constantly and rapidly increasing, railroad extensions and equipment were not being provided in proportion. With the outbreak of the war, transportation requirements, particularly on the lines approaching the Atlantic seaboard, were greatly increased. The railroads seemed unable correspondingly to increase their facilities. In this address I lay no blame upon them for this.

While many lines in other parts of the country promptly transported the freights tendered them, the railroads in the East, particularly those which reach our greatest seaport, became overcrowded, resulting in thousands of freight cars being used for warehouse purposes. The inability of ships sailing from New York Harbor to obtain coal, added to other embarrassments to shipping, accentuated the difficulties until the congestion became appalling.

It became apparent that one practical means of relief could be found in the diversion of freight. This could not be legally accomplished under private control, the law giving to the shipper the privilege of routing his freight. The Federal Government operating the roads could disregard shippers' routings and send the freight over any line.

Moreover, the rerouting of freight materially affects the operating revenues of the carriers and implies the necessity for pooling earnings, which can not legally be done under private control. Even if the antipooling sections of the law had been repealed, railroads operating under a competitive system, which has been regarded as one of the fundamental features of private control and operation, would not be able promptly to effect voluntary arrangements which would deprive one road of its normal business for the benefit of a competing carrier.

Mr. KELLOGG. Mr. President—

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

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

Mr. KELLOGG. I wish to say that in that regard I agree with the Senator. I do not wish to be understood as disagreeing on that proposition. Government direction was undoubtedly necessary to accomplish that, because under the present law the railroads themselves could not bring about that result.

Mr. ROBINSON. I think the Senator's statement adds strength to the argument which I am attempting to make, and I thank him for it.

It should be remembered that at the time the President took possession of the railroads the military operations of the Government were being greatly embarrassed. Troops, supplies, and munitions destined for the battle front were being delayed both on the railroads and at port. Only the strong arm of the Government could clear the lines, hurry necessary fuel to the ships, and hasten the transportation of soldiers and supplies to France. Unified control was partially accomplished through the railroads war board, a voluntary organization composed of some of the best and ablest railroad men in the Nation while the carriers were yet under private control. The service which this board rendered was in many respects admirable and highly commendable, but the board could not make or repeal law, and, most important of all, it could not remove the natural obstacles to unified operation created by the desire and obligation of every railroad manager to secure for his line all the business he could obtain.

Under Government control it is possible to make common use of all tracks, facilities, and equipment. This could not be legally done under private control.

Under private control it was not possible to distribute efficiently cars and motive power, and in consequence some roads were at times over supplied, while others were unable to obtain a sufficiency. Under private control when freight was diverted by the action of the war board, it probably constituted a violation of law and gave rise to many difficulties which do not arise under Federal control.

Furthermore, the railroad representatives were fearful of a decline in railroad credit. They claimed to need the financial support of the Government to sustain and stabilize railroad securities, in the absence of which the railroads were threatened with ruin.

Before the President exercised the powers conferred upon him by the act of August, 1916, the public had generally come to anticipate the taking over and operation of the roads by the Government, and I believe the wisdom of his action has been disclosed by events which have already occurred and will be further vindicated in the future.

Whatever may be our views concerning the wisdom and necessity of Federal control, it is an accomplished fact that the President, under the authority of Congress, has taken possession of the railroads and is operating them through the agency of the Director General. The taking possession of the roads and the use of them by the Government creates a legal liability on the part of the Government to the owners to pay for the use of the property taken.

THE NATURE AND EXTENT OF THE GOVERNMENT LIABILITY.

I shall now briefly speak of the nature and extent of the Government liability. This legislation is framed upon the theory that the Government's possession and use of the railroads is merely temporary, and that, therefore, the true legal measure of "just compensation" is not the value of the property taken, but is the value of its use. The Congress can not declare, as has been heretofore stated in the debate and as every Senator probably understands, what constitutes just compensation. It can not determine the amount due the railroads and provide a fixed sum by appropriation. Under the Constitution, the question as to what constitutes just compensation is a legal question, to be determined by the courts after a consideration of all the facts and circumstances. The Congress can not even instruct or direct the courts to embrace or exclude elements of value, nor can it restrict them in determining the amount of just compensation due. If the Congress could impose upon the courts a direction as to what facts should be considered and what elements of value should be embraced in determining the question of just compensation, it could effectually confiscate property and thus defeat the very purposes of the constitutional provision that "private property shall not be taken for public use without just compensation." I maintain, notwithstanding the prolonged and, to my mind, in some respects erroneous argument of the Senator from Iowa, that the standard return is the best and fairest basis for agreement as to just compensation that has been suggested, for the all-controlling reason that it

approximates closely the legal measure of the amount recoverable at law.

Mr. President, the Government's obligation is to pay to the railroads what is due them for the use of their property. Congress can not deprive the carriers of the right to receive compensation for the use of their property taken and used by the Government. Certainly no Senator would desire to do that. The Congress can provide the means and the tribunal for determining the amount of compensation to be paid for private property taken for public use, but it can not restrict or circumscribe the power of the tribunal to determine the amount of compensation to be paid. The standard return provided for in this bill—namely, the average annual railway operating income for the three-year period ended June 30, 1917—constitutes a just basis for an agreement respecting just compensation. Some have claimed that the compensation which may be obtained under this standard return is too little, while others, including the Senator from Iowa, have asserted that it may be entirely too much.

Every Senator who has discussed this subject has expressed the opinion that it is both desirable and necessary to enact legislation to enable the President to make agreements with the railroads, and thus avoid the necessity for litigating the question of compensation in the courts. This proposition seems self-evident. If the railroads of the country should be remitted in the first instance to the courts for a determination of the question of just compensation, it would require the talent, the energy, and the resources of many of the best men of the Nation for many years before these disputes could be settled. In addition to this, it would lessen the efficiency of the transportation systems and weaken the Government in the conduct of the war. It must be admitted by all that it is desirable to provide for settling the question of compensation out of court. Of course, the Congress can not take away from the railroads the right to litigate the question. We can not compel any carrier to enter into an agreement. We must provide a means for determining judicially the amount of compensation due any carrier for the taking and use of its property by the Government. It follows that any agreement provision, to be acceptable, must be of such a nature that it is likely to be availed of, both by the Government and by the carriers. It would be futile to spend our time in formulating a method for settling out of court these disputes if the provisions of the law enacted by Congress were such that in all probability the railroads would not take advantage of them, but would prefer to take their remedy through judicial process.

The chief value of the standard return is that it approximates the actual amount of compensation which a court would in all probability award a carrier upon a trial of its case. It is necessary and advisable that any agreement provision which we write in this bill should have that characteristic. Since the railroads can not be deprived of the right to sue for compensation and have a court pass upon the amount due, it would be absurd to deny to them approximately the amount to which they would be plainly entitled under the law. It seems to me to be the wise course to so write this bill that the railroads can obtain without litigation approximately what they would be likely to get through litigation, and if we do this, in all probability the carriers will enter into an agreement; if we fail to do this, they will likely decline to enter into agreements, and will resort to the courts for their remedy.

It is my purpose now to attempt to show that the provision in this bill respecting compensation through voluntary settlement between the President and the carriers is fair and just, and approximates the basis upon which the courts would determine it. If I can establish this proposition, I will be entitled to have your favorable action concerning this provision.

The primary and fundamental element which a court will consider in determining the value of the use of property, is its earning capacity. I do not mean to imply that other elements do not enter into the subject, or to assert that other facts should not receive due consideration. I merely say that the principal thing in determining the value of the use of property is its earning capacity. The carriers had established their earning capacity under Government regulation and supervision. A system of rates which determines the amount of their earnings has been in operation with the approval of the Government as just and reasonable, and this system of rates has been recommended as a fair basis for present and future charges. That is to say the Interstate Commerce Commission has fixed the rates, and recommended to Congress that the rates so fixed be determined legislatively as fair and reasonable.

Prior to the passage of the act to regulate commerce in 1887 the power of the railroads to make rates was unlimited. Few legal restrictions, especially of a Federal nature, existed on the authority of a carrier to charge any rate it desired. With the act of

1887 began the period of regulation which extends to the present. The act of 1890, commonly called the Sherman Antitrust Act, the act of 1906, and the act of 1910 constituted an evolution in the regulation of the railroads through Federal agency. Gradually the power of the Federal regulating body was increased and extended until now it may be said that the Interstate Commerce Commission has the power to make and determine rates.

The railroads blame upon overregulation by the Interstate Commerce Commission and State commissions many of the deficiencies in railroad affairs. Their representatives assert that the Government, through the Interstate Commerce Commission, has pursued a niggardly policy which has prevented them from making sufficient earnings to adequately provide extensions, additions, and equipments. I do not subscribe to this declaration without material modification.

The standard return is based upon the average annual earnings for the three-year period ended June 30, 1917. These earnings were made under Federal regulation, under rates fixed and controlled by a Federal agency, the Interstate Commerce Commission.

What would be the legal effect of this in a judicial proceeding to determine just compensation? In my opinion, the earnings of the railroads under rates fixed by the Government agency would not be conclusive of just compensation. Evidence would be admitted to show that the earnings which the Government permitted were inadequate to meet the requirements of the constitutional provision as to just compensation, or, on the other hand, that they were in excess of just compensation. The rate-making power, within certain limitations, is, of course, a legislative power. It would be perfectly competent for the legislature to adopt toward the railroads a policy which would enable them to realize very great profits, profits in excess of the measure of the value of the use of their property when taken by the public. The principal limitation upon the legislative power to make rates is that they shall not be confiscatory. A rate which is not confiscatory may not, however, be compensatory in the true sense of that term. It would undoubtedly be competent to show as an evidence of the value of the property or its use the earnings of the railroads under Government regulation. In all probability a court would give great weight and credence to this evidence.

It is not only true that the standard return approximates the legal basis for just compensation, but it is also the most convenient plan that has been suggested for adjusting controversies concerning compensation. It involves the use of terms, records, and accounting systems of the Interstate Commerce Commission.

Some difference of opinion has been expressed as to just what items should be embraced in the standard return.

Apparently all are agreed that it should include operating revenues, operating expenses, railway tax accruals, and uncollectible railway revenues, but there is considerable difference of opinion as to whether other items should be included. The present bill as amended includes "equipment rents" and "joint facility rents." In determining the standard return it is well to know something of the details of the character of the Government operations, what changes will be effected in existing methods and practices, and the purpose of the Government in providing the standard return, or any other, for that matter.

During the course of the remarks of the Senator from Iowa [Mr. CUMMINS] the question arose as to what is the necessity or justification for the Government to make a guaranty to the railroads. I attempted then to explain briefly the justification for this proposal. Under Government operation and control it will be the policy to affect very materially the business of the carriers operated by the Government. Some of the railroads will no doubt have their business very materially increased, while others will experience a great falling off in the traffic which they carry.

It may with propriety be assumed, first, that the Government will so conduct the railway operations as to affect the net income of individual carriers, and perhaps of the carriers as a whole, and the net income will very likely be quite different from what it would be under private operation.

Second, the Government desires to be just and fair, both to the public and to each individual carrier whose property is taken over, and it, therefore, desires to establish a basis for the standard return that will not favor one carrier as against another.

Third, as to the roads taken over and operated, the Government will receive the income and make or authorize the expenditures so far as the income items included in the standard return are concerned, and it will further guarantee to each of such carriers a definite amount, retaining the surplus income, if any, and providing from other sources for any deficit there may be, and, further, that the carriers, individually, will be re-

sponsible for receipts and expenditures involving income or other items not included in determining the standard return.

If these assumptions be correct, every item of income that may be affected in one way or another by Government operation should be included in arriving at the standard return. Of course, it is not necessary to carry this idea to the extreme. It is the opinion of the best experts I have consulted that in practically all cases justice will be done if the standard return outlined in the proposed bill is adopted.

Some of the reasons justifying these conclusions are embraced in the following suggestions:

EQUIPMENT RENTS.

The term "equipment rents" includes not only hire or rent of freight cars but also of locomotives, passenger cars, floating equipment, and work equipment. As to most roads the item of greatest importance is "hire of freight cars." The credit to this account represents amounts receivable by an owning company for the use of its freight cars leased or interchanged, and the debit represents amounts payable by the using carrier for the use of freight cars of other carriers leased or interchanged and for the use of freight cars of individuals and companies not subject to the act to regulate commerce. Taking the carriers as a whole, the balance is always a debit. As to freight cars interchanged among carriers in the United States, the debits and credits should equal each other, but freight cars are frequently leased from individuals or companies that do not report to the commission, in which case there would be a debit with no corresponding credit. The payments made for the use of private freight cars are also a debit, with no corresponding credit. There is a large interchange of freight cars with Canadian roads and some interchange with Mexican roads; and as the roads in these foreign countries do not report to the Interstate Commerce Commission the car interchange may affect the balance either way, depending upon the ownership of the cars interchanged. There is also a negligible amount of income received by the carriers for freight cars rented to industrial concerns, logging roads, and so forth, that do not report to the commission and for which there is no corresponding debit.

Rents from locomotives and passenger cars are largely between carriers, although either the debits or credits to income may be affected by rentals received or paid to companies which do not report to the commission or at least do not report as steam roads. For example: A carrier might rent a locomotive to or from an industrial concern or a logging road, neither of which reports to the commission, or it might rent a passenger-train car to or from the Pullman Co. which does report to the commission, but not as a steam railroad. Floating equipment is perhaps generally rented from individuals or concerns other than steam railroads so that in the railroad account the balance as a whole would probably always be a debit. The amounts received and paid from the use of work equipment are of minor importance, and perhaps represent in most cases payments among steam railroads, so that the debits and credits should be approximately equal.

The Government operations will undoubtedly affect the use of equipment. The Government may send to Canada or to Mexico a greater number than usual of the cars owned by the carriers of the United States, thus increasing the rental credit, or it may so conduct operations that a greater number than usual of cars of the Canadian or Mexican roads may be used on the lines of our carriers, thus increasing the rental debit; it might require the railroads to rent a greater number of units of floating equipment or to release units now in use by the steam railroads; it might require the Pullman Co. to turn over all or certain of its cars for use by the steam railroads as their equipment rather than Pullman equipment; it might change the rate or the basis for the allowance to private freight-car owners for the use of their cars, thus affecting the amount of such payments; and it might, so far as some carriers are concerned, entirely change the movement of freight using some lines exclusively for passenger service and others for freight service.

The effect upon the total, however, is of little importance as compared with the effect upon the income of individual roads. It is conceivable and, indeed, quite probable that locomotives may be transferred from southern and western roads to eastern roads. If the item "rent for locomotives" be omitted in arriving at the standard return, the eastern roads, it would seem, will individually be required to pay a rental for such of these locomotives as they may use, and this will be an expenditure chargeable to income, for which no provision for reimbursement will have been made. The use of the locomotives, however, will not benefit the eastern carriers, because their returns from freight and passenger service will have been fixed on the results of operations during past years. In this case the eastern roads would be the losers and the southern and western roads the gainers.

In case the Government should make a freight road of one carrier and a passenger road of another, the income of these two carriers from rent of equipment might be affected in exactly opposite ways—one might be benefited and the other damaged.

It may be said with conservatism that to omit the one item of "equipment rents" from those included in determining the standard returns may result in bankrupting fairly prosperous roads, unless, of course, means be adopted to prevent the injustice that may fairly be expected to result.

JOINT-FACILITY RENTS.

It is a matter of general knowledge that the gross rental for joint facilities—facilities used in common by two or more carriers—is in part an operating expense and in part a rent proper. In some leases the contract stipulates for the use of the joint facilities at a rate per ton, per car, per mile, or some lump-sum basis, the payment including not only rent (income) but maintenance and operation as well. In other leases the contract stipulates that the income item of rents based upon a percentage rate applied to the cost of the facilities as well as to the expenses of maintenance and operation shall be divided upon a tonnage or per car basis. It is, therefore, evident that no hard and fast rule can be laid down for the separation of the rental feature from the operating feature, nor for the apportionment of the rental feature between the users of the facility. In the case of the first arrangement mentioned, the joint-facility rent is not a fixed amount nor does it appear to bear any relation to the capital invested. As a matter of fact, it is what is left after expenses have been provided for, maintenance and operation being apportioned as closely as can be determined to actual cost. The rent necessarily depends largely upon the volume of traffic handled. For this reason it should be accorded the same treatment as operating expenses and not burden the income of a road with expenses from which it will derive no revenue and, conversely, relieve the income of a road of expenses traceable to the traffic of that road.

The result in the aggregate, and consequently the amount involved in the Government guarantee will not be appreciably affected since the debits to the income of the lessee roads will practically equal the credits to the income of the lessor roads. For this reason the amount paid by the Government will not be appreciably affected if joint-facility rents are included in the standard returns. However, the inclusion will prevent many cases of injustice to carriers which might otherwise arise.

LEASED ROAD RENTS.

Some experts claim that "leased road rents" should not be included in the standard returns, for the reason that they are not a measure of the carrier's operations.

MISCELLANEOUS RENTS.

The items included in miscellaneous rents are relatively unimportant, and in most cases will not be seriously affected by Government operation. Consequently these items need not be included in the standard returns.

Thus the standard return approximates the measure of compensation to which the carriers are legally entitled and at the same time will prevent unfair discrimination in the amount of compensation to be paid individual carriers. It is also consistent with existing methods of accounting prevailing among the railroads and in the Interstate Commerce Commission and will, therefore, present little technical difficulty in ascertaining the sums to be paid under such agreements as may be made.

In the event no agreement is made the amount of just compensation due may be investigated by boards of referees who will report their findings to the President. He may then agree with any carrier upon any sum as compensation not in excess of the amount found due by the board of referees.

As already stated the provisions in the bill authorizing agreements are designed to afford a fair and speedy method of determining out of court controversies concerning compensation.

If no agreement is made based upon the findings of the referees, either the President or the carrier may institute a proceeding before the Court of Claims for the determination of the amount of compensation and in such proceeding the report of the referees is made prima facie evidence of the amount due.

Considering all the facts and circumstances, it appears that the provisions in this bill relating to the amicable adjustment of compensation due the carriers are fair to both the public and the railroads.

If the railroads had continued in private operation it is quite probable that the amount which the public would have been required to pay for transportation would have exceeded the amount that will be paid to the railroads under Federal control. I do not believe any well-informed person will assert that there existed at the time the Government took possession of the railroads any considerable probability of a substantial reduc-

tion in the early future of railroad rates. On the contrary, it appears quite probable that if the Government had not taken over the roads an increase in rates might have been made. Since the standard return represents an average for the three-year period, which embraces one lean year and two prosperous years, as to railroad earnings, it is not unfair and it does not appear likely that the railroads would voluntarily relinquish all claims for compensation or the right to have the amount of compensation due them determined by legal process, for sums manifestly less than could be recovered in court.

THE STANDARD RETURN COMPARED WITH OTHER PLANS FOR COMPENSATION.

No other plan has been suggested which, in my opinion, so nearly as the standard return meets the requirement of fairness and justness to both the public and the carriers.

AVERAGE MARKET VALUE OF RAILROAD STOCKS.

It has been suggested that the average market value of railroad stocks for a fixed period constitutes a better basis.

The evidence disclosed that the market value of railroad stocks bears little relation to the earning capacity of the roads, or, for that matter, to the value of the railroad property used for carrier purposes.

The market value of railroad stocks is influenced, if not controlled, by many other conditions. In some notable cases when the earnings of a road have been at their maximum the stocks have sold at a much lower price than at other times when the earnings have been far less.

Take another instance: When a railroad management has "skinned" the property, that is, has stinted expenditures for maintenance, depreciation, betterments, and extensions, and has declared substantially all earnings in dividends, the stocks have found high values on the markets.

Furthermore, railroad stocks, as everyone knows, have been the subject of speculation and manipulation and do not, therefore, furnish a fair or stable basis to determine the value of the use of the property upon which they are supposed to be based.

In illustration of the unfairness which would result from basing compensation upon the market value of railroad stocks I cite the testimony of Mr. Kruttschnitt, at pages 293 to 296 of the hearings. I will read a portion of his testimony.

Mr. Kruttschnitt was asked by the Senator from Iowa [Mr. CUMMINS] this question:

It is something the company can do whatever it likes with. In other words, I did not contemplate compelling the railway companies to divide their compensation among the shareholders in dividends if they did not desire to do it. We are dealing with the railway companies which own the property.

Mr. Kruttschnitt had been asked by the Senator from Ohio [Mr. POMERENE] some time previously his opinion concerning the proposal to base the compensation upon the average market value of railroad stocks, and here is his reply:

Well, it seems to us that if you impress or commandeer—which is what the Government has done—the use of these properties from the owners that you should pay a fair return on the value of the properties and not on market prices of stock, which are notoriously fickle, follow no law whatever, and are subject to violent fluctuations, sometimes for a reason that can be assigned, and more frequently for reasons that no man can assign.

The best test of the value of the use of the property which the Government takes is, of course, the return or income which the owners have been getting from it before the date of impressment, and my views yesterday were directed to that feature of compensation. Now, if you take the commission's estimates or statements to this committee of the market value of stocks, over a certain period which they worked up, I think, at your request—

Senator CUMMINS. In that respect I hope Mr. Kruttschnitt will take into account the fact that the total furnished by the commission is of comparatively little value, because for the three years that it names it simply takes the high point and the low point for the year and makes an average of the two. A fairer average of the market value of stock would require an enlarged basis.

Mr. KRUTTSCHNITT. Quite right. I did not know how it was arrived at. I simply got it off these statements. If they are not reliable, I do not think it is worth while to waste any of the committee's time in argument on it, except to say if they had been reliably gathered, and if they had multiplied the total bonds and stock issued by these prices, you would have gotten for the years in question—which I think were 1912, 1916, and 1917—values which were highest in 1912, lower in 1916, and still lower in 1917. In the interval values of the property have increased largely from 1912 to 1917. In other words, making the multiplications, you will find that the valuation of the properties derived from the multiplication of the average cost of stocks and bonds by their amounts would represent \$1,600,000,000 less in the latter period than the former; yet in the interim \$2,000,000,000 more money has been put into the property, so it shows how misleading such a plan of deducing value would be.

In answer to a further question Mr. Kruttschnitt made this statement:

Now, to take some concrete examples, I will cite Southern Pacific stock, as it is our own stock, and I am more familiar with it than any other. Southern Pacific stock sold about 10 years ago at its maximum, which was \$128 or \$130. It sold a couple of weeks ago at \$75, a fall of 55 points—\$55 a share.

In the same period the Southern Pacific Co. put \$400,000,000 of new money—actual cash—into its property.

Senator POMERENE. In what period?

Mr. KRUTTSCHNITT. In about 10 years; and increased its property values by about 50 per cent.

Senator POMERENE. What do you mean by that?

Mr. KRUTTSCHNITT. I mean that, using approximate figures of 10 years ago, the property values of the Southern Pacific properties were \$800,000,000 and to-day about \$1,200,000,000. Now, the actual cash put in the property increased about 50 per cent, and the market quotations of the stock fell 55 points on 130—that is, 42 per cent. The money put in the property increased 50 per cent, and the market value of the stock decreased 42 per cent.

Further on he made this statement, after reading which I will proceed with my argument:

I cite that to show that without any increase in the amount of stock the market quotations have little or nothing to do with the intrinsic value. Remember, market quotations apply to a very small fraction of the stocks of conservative companies. There is a certain amount floating around that is bought and sold, but the great mass of the stock of the companies is held for investment and is not on the market. The price would no doubt be very different if the entire stock were on the market.

Mr. Kruttschnitt is one of the best informed men concerning railroad matters and especially railroad finances in the United States.

Another plan which is merely a modification of that just discussed is that the Government should pay to the carriers the amount of interest on their indebtedness and their regular dividends. The objection to this plan is threefold. It would not be acceptable to the railroads. Few, if any, agreements would be made under it, and the whole subject matter would be remitted to the courts. As I have already said, it is useless to authorize agreements that will not be made, and it is the part of wisdom to permit agreements that ought to be made and probably will be entered into.

This objection of itself, if well founded, is of course conclusive.

However, a second objection exists in the fact that this plan would penalize conservative railroad management and capitalize or place a premium on reckless railroad financing. Managements which have strained every effort to pay dividends, carriers which have been negligent in the matter of improvements, additions, equipments, extensions, and maintenance in order to pay large dividends would receive more compensation than others which have been properly managed and, while only declaring small dividends, have kept up, improved, and extended their properties.

In the third place I think this proposition is open to the objection that it makes no adequate provision for the future as to maintenance.

Of course it could be modified so as to embrace a guaranty for adequate maintenance, but that is not contemplated in the proposition as submitted.

A representative of the railroad brotherhoods suggested that the compensation contemplated in the standard return provided for in this bill be paid until the Interstate Commerce Commission could determine the actual investment of the property for carrier purposes, and that when the commission had determined the same compensation be based upon a reasonable percentage of this investment.

It is to be noted that this proposition recognizes and accepts for temporary purposes the standard return. Mr. Prouty, who has had the direction of the valuation of the physical properties of railroads, stated to the committee that it would probably be three years before the work as to any of the carriers would be finally determined. This fact, of course, renders the suggestion inapplicable at present. Moreover, it involves a very important controversy concerning which there exists very great difference. The committee did not deem it advisable to inject into this bill the long-standing and far-reaching dispute concerning what constitutes the correct basis of value as to railroad property and as to railroad rates.

The total amount of compensation which the President is authorized to agree upon with the carriers under the provisions of this bill can not be definitely stated for two reasons: First, it is not yet known what carriers will be retained under Federal control; and second, we can not now determine what amounts may be paid to roads under agreements made between the carriers and the President in exceptional cases.

The Senator from Minnesota [Mr. KELLOGG] has, however, stated the total amount which the President is authorized to agree upon with all the carriers as accurately as the subject is capable of being stated. It is as follows:

Net railway operating income for class 1 roads.

| | |
|---------|------------------|
| 1915 | \$683, 104, 833 |
| 1916 | 984, 872, 959 |
| 1917 | 1, 020, 800, 000 |
| Average | 896, 259, 264 |

The Interstate Commerce Commission has made an estimate which will bring this total, if all roads in classes 2 and 3 are embraced in the agreement, to \$935,000,000, approximately \$100,000,000 less than the amount received by them in 1917. The commission also estimates investments by the carriers in their property made during the period between June 30 and December 31, 1917, at \$130,403,315. If the President should fix the rate at 5 per cent this would amount to \$6,500,000, making the total \$941,500,000. After deducting interest on debt, war taxes must be deducted to find the amount available for dividends.

THE BRITISH PLAN OF COMPENSATION TO RAILROADS WHILE UNDER GOVERNMENT CONTROL.

In criticizing the authorization in this bill for agreement as to compensation as too favorable to the railroads the Senator from Iowa [Mr. CUMMINS] made a comparison between the British plan for compensation to railroads while under Government control and that contemplated in this bill.

I was so astonished at some of the statements which he made that I asked for a copy of the notes of his remarks.

On page 33 of these remarks, as submitted to me by the official stenographer, the Senator from Iowa is quoted as making the following statement:

There was no agreement made between the Government of Great Britain and the railroads of Great Britain. No one suggested making any agreement between the public and these railway companies.

In answer to a question of the Senator from Indiana [Mr. WATSON], if shortly after the taking over an agreement was not arrived at as a basis of compensation, the Senator from Iowa [Mr. CUMMINS] made the following statement:

No; as I understand the record made there, and as it was introduced before our committee, the consent of the railway companies of Great Britain with regard to compensation was not asked. The act of 1871, under which the Government took possession of the railroads in 1914, was not substantially different from our act of 1916, and made no provision for compensation other than the general statement that when the power exercised under it did take place, the compensation was to be made. When on the 4th day of August, I believe, 1914, the council in Great Britain determined it was necessary to take over the railroads and they were taken over and the operating body, the directors appointed by the law and who were in existence at the time they were taken over, simply published a statement that for the week following—and I want to mark that, because it is one of the things that we will presently have to consider in this bill—for one week the Government would take over the railroads of the country and would pay or guarantee the net income for 1913. That is, guarantee the net income that was earned in 1913, with some modifications that were to be made by consideration of the earnings for the first six months or seven months of 1914.

This statement is totally at variance with the record as I understand it. I have before me a copy of the British act entitled "The regulation of the forces act, 1871." In section 16 of that act there is a clause expressly authorizing agreements between the Government and the carriers as to compensation. I will read the provision:

There shall be paid to any person or body of persons whose railroad or plant may be taken possession of in pursuance of this section, out of moneys to be provided by Parliament, such full compensation for any loss or injury they may have sustained by the exercise of the powers of the secretary of state under this section as may be agreed upon between the said secretary of state and the said person or body of persons, or, in case of difference, may be settled by arbitration in manner provided by the lands-clauses consolidation act, 1845.

So, in answer to the assertion of the Senator from Iowa that no agreement was asked and no agreement was authorized in that statute, I read the statute itself. It is not only true that the act authorized agreements as to compensation, but on September 15, 1914, it was announced that the Government and companies had come to an agreement.

This agreement, although amended six months later, and again modified in certain important respects, is still the basis of the financial arrangement between the Government and the railroads.

THE TERMS OF THE AGREEMENT.

The terms of the agreement are briefly stated as follows:

His Majesty's Government have agreed with the railway companies concerned that, subject to the undermentioned conditions, the compensation to be paid them shall be the sum by which the aggregate net receipts of their railways for the period during which the Government are in possession of them shall fall short of the aggregate net receipts for the corresponding period of 1913. If, however, the net receipts for the first half of 1914 were less than the first half of 1913, the sum payable is to be reduced in the same proportion. This sum, together with the net receipts of the railway companies taken over, is to be distributed amongst those companies in proportion to the net receipts of each company during the period with which comparison is made.

The compensation to be paid under this arrangement will cover all special services, such as those in connection with military and naval transports rendered to the Government by the railway companies concerned, and it will therefore be unnecessary to make any payments in respect to such transports on the railways taken over.

In addition to the net receipts of railways proper the Government guaranty extended to the net receipts of six classes of enter-

prises when owned by railway companies included in the agreement. These six classes all follow:

First, omnibuses and other passenger vehicles not running on a railway.

Second, steamboats.

Third, canals.

Fourth, docks, harbors, and wharves.

Fifth, hotels, restaurants, refreshment rooms, and cars.

Sixth, other separate business carried on by the companies.

Thus it will be seen, the statement of the Senator from Iowa to the contrary, that the law of Great Britain did authorize an agreement between the railway companies and the Government touching the compensation. It will also be observed, notwithstanding the statement of the Senator from Iowa, that the agreement was in fact entered into, and under the terms of that agreement the Government not only guaranteed, with certain modifications, the net income of the railroads for 1913, which was the best year they had ever known, but it also guaranteed six other classes of business which had no immediate relationship to the carrier business.

I repeat, it is apparent that under the agreement entered into by the British Government with the carriers immediately after they were taken over the Government not only guaranteed the net income for the year 1913 as modified by the comparison with a portion of the year 1914, but it also guaranteed noncarrier business of six classes in which the railroads were engaged, including hotels, refreshment rooms, and cars. In addition to this the Government received free transportation of troops and supplies and assumed the payment of 25 per cent of the bonus to railroad employees. I have not undertaken to work out a comparison between this British guaranty and the guaranty contemplated in this bill, but it is perfectly apparent that the statements of the Senator from Iowa to the effect that no agreement was entered into between British railroads and the British Government is error.

Mr. CUMMINS. Mr. President—

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

Mr. CUMMINS. I did not say that the law of 1871 did not authorize an agreement. It not only authorized an agreement, but it provided a tribunal for determining differences in case no agreement is made. I did say that the compensation was fixed by the Government without an agreement. I may have been in error in that statement, although I understood it to be true at the time I made it. What was in my mind was that immediately after the 4th day of August, when the British Government took possession of the railroads, it promulgated the basis of the compensation that it would pay to the railroads, and there was no agreement at that time. I had not seen the document which the Senator from Arkansas is now reading at the time I made the statement, but it is quite apparent from its terms that there did finally come an agreement between the Government and the railroads that embodied the order which was originally made. In so far I am quite willing to acknowledge the error of my statement.

Mr. NORRIS. Mr. President—

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

Mr. NORRIS. I am interested to know what was the actual compensation fixed. The Senator refers to a particular year. What was the dividend paid during that year?

Mr. ROBINSON. I am going to discuss that. It follows as a logical sequence to what I have just referred, and if the Senator will permit me, I will take it up in the order I had intended. It will be only two or three minutes before I reach it, if that long.

It may be mentioned in this connection that the railroads of Great Britain are standardized; that dividends and interest rates are lower in Great Britain than in the United States; and that the British guaranty can not furnish a reliable basis of comparison as to what should be the guaranty in the United States.

Now I am coming to the point that the Senator from Nebraska [Mr. NORRIS] has just asked me about. I am going to discuss now briefly dividends under British control.

DIVIDENDS UNDER BRITISH CONTROL.

On page 49 of the stenographer's notes of his remarks the Senator from Iowa [Mr. CUMMINS] made this further statement with respect to dividends paid under British control of railways:

Great Britain is now paying on an average of 4 per cent upon the railway bonds and 3½ per cent upon the railway stock.

It is not my purpose to undertake an analysis of the British system of control of railroads, but if an argument against this bill is based upon the practice of our ally concerning the operating of railroads by public authority, it is essential that the material facts upon which that argument is based be accurately stated.

The proviso in the agreement as to compensation providing for a proportionate reduction of the amount to be paid by the Government to the railways of the net receipts of the companies for the first half of 1914 were less than the net receipts of the first half of 1913 was withdrawn January 1, 1915. Thereafter the sum which the Government guaranteed the companies as net receipts were to be equal to their aggregate net receipts for 1913, subject to a deduction amounting to one-fourth of the first general bonus.

Subsequently the Government made a concession in a supplementary agreement providing for the payment to the railways as from August 4, 1914, of interest at the rate of 4 per cent upon capital expended upon new works that have been brought into use since December 31, 1912.

In Great Britain the Government not only guaranteed a reasonable per cent on the money invested in the railroads after the beginning of the war but it extended its guaranty back to the 1st of January, 1913, or December 31, 1912.

Early in 1916 the Government made a concession and acknowledged its liability in respect of such maintenance work as in the ordinary course of events would have been undertaken, but which, owing to the war, was being deferred. The Government finally conceded its liability not only for what the deferred maintenance work would cost at ordinary prices but for the probable increased cost of the work occasioned by higher prices of labor and material.

Thus it is to be seen that the agreement is not fully stated when it is merely expressed as a guaranty of the income for 1913, the Government in effect guaranteeing a much larger sum. The agreement was understood by the public to guarantee the net receipts of the railroads for the year 1913, and it was regarded by the railroads as liberal for the reason that 1913 had been a "banner year," marking "the high level of prosperity" in railroad operations.

The Government of the United States contemplates taking in this bill as the basis of its standard return the average annual railway operating income for a three-year period, which embraces one lean and two fat years as to railroad operations. The Government of Great Britain based its standard return, if you will call it that, upon the net income for the most profitable year the railroads of Great Britain had ever known. This guaranty resulted in a falling off of dividends as to the 25 principal railroads of Great Britain.

As to the average dividend paid in 1913 by these railways—and I am talking now only of the 25 principal railways of Great Britain; as to other roads, I have not the figures, except as they are embraced in the table presented this morning by the Senator from Iowa, which I assume to be correct—but speaking now of the average dividends for the 25 principal railways of Great Britain, the average paid in 1913 is said to have been 5.06; in 1914, 4.65; in 1915, 4.60; and in 1916, 4.65 per cent. The reduction in dividends was due in part, at least, or in some cases, to the necessity for strengthening reserves.

While the net receipts of the 25 companies in 1916 show a marked advance over the preceding year the dividends paid were substantially the same, the increase in net receipts being absorbed by increasing the reserve.

Notwithstanding that the prices of British railway stocks had fallen off during the four-year period preceding the war and were unusually low during the conflict the prices of these stocks have substantially declined since the summer of 1914.

Considering the fact that the British railroads are capitalized at approximately \$300,000, while American railroads are capitalized at something like \$62,000 per mile, and having in mind the further facts that British railroads have long been standardized, and that interest and dividends are considerably lower in Great Britain than in the United States, no fundamental objection in principle can be urged against the plan in this bill to guarantee the average annual operating income for the three-year period ended June 30, 1917, as compared with the British plan guaranteeing the net receipts of the railways for 1913 with certain modifications.

Every Senator understands that under our Constitution the power of Congress does not extend to the determination of the question of the amount of just compensation and that no provision of law can deprive the owners of railroad property of the right to have a judicial determination of the amount due them. We can impose increased burdens of taxation, and if the war continues this will probably occur. However much we may admire the spirit of liberality and however anxious we may be to encourage all persons and all industries to voluntarily contribute to the common welfare in this period of emergency, we can not require the owners of property to devote it to the public use for less than its actual value. Our obligation under the Constitution is to provide for the payment of such sums as will reimburse the owners of the property for the injury which they

will sustain by reason of the Government use of their properties.

The maximum which the railroads claim would be the receipts for 1917. Their representatives have insisted that the standard of compensation as proposed is unfair and inequitable in that it is based upon the operating revenues for the year 1915, which was undoubtedly an abnormal and unprofitable year as to railroad operations. Nineteen sixteen and seventeen were very profitable years. It would be of great value to the railroads to be relieved from the possibility of misfortune and a consequent loss of revenues and the decline in the value of their securities. And to obtain this boon they should, of course, be willing to relinquish some part of the maximum claim which might be asserted.

It seems clear that while the standard of compensation authorized in this bill permits a reasonable and generous latitude to the President in making agreements with the railroads, it will also give him the power to safeguard the public against injustice and extortion in individual cases where to grant the maximum might prove excessive. The President will not make agreements which he regards as subservient of the public interest and the discretion to refuse to enter into an agreement and thus to remit the carriers to the courts for remedy will enable him to make adequate provision for the protection of the public interest in exceptional cases which Congress can not take notice of because of lack of time and the necessary information.

That I understand is the policy of the Director General.

Mr. President, repeatedly during the course of his remarks, the Senator from Iowa referred to the fact that the question as to what compensation shall be paid to the railroads by the Government for the taking and use of their property during the period of Federal control will be and must be finally determined in another forum. He suggested in his remarks to the Senator from Missouri [Mr. Stone] that the Senator from Missouri would have an opportunity to answer to the people of Missouri and the people of the United States for his consenting to this guarantee of the standard return.

Mr. President, questions as to what constitutes due compensation are not under our system of Government tried by elections. The Senator from Iowa is a great lawyer, and he knows that they are not. Questions as to what constitutes due compensation under the Constitution of the United States are determinable in the courts of the country. The Senator from Iowa ought not to try to intimidate Senators in the discharge of their duties in attempting to arrange a fair provision for agreement by threatening them with carrying this subject into politics.

But I say to the Senator from Iowa that I think he is wrong. I think he is insisting on writing into this bill terms authorizing an agreement that will not be accepted. I think if the standard he proposes be written into the law the whole subject will be made the matter of litigation.

So far as I am concerned, I think I am doing right, and I am ready to accept his challenge whenever he throws the gauntlet before me. It would be unfair to submit in an election the question of just compensation to voters who have to pay that compensation. There is not a judge, there is not a lawyer in the world who would not recoil with amazement from such a suggestion.

I propose in this instance to do my duty as I see it to the public, and I think I am doing that when I am arranging for them to receive transportation during this war period for less than it would cost them during a time of peace, notwithstanding the fact that the cost of materials has risen and that the labor wage has risen and will continue to rise. Under the terms of this agreement the public will receive transportation for less than they were paying before the war began, and that is the answer to the argument of the Senator from Iowa.

Mr. THOMAS. Mr. President—

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

Mr. THOMAS. I have listened to the Senator's argument with a great deal of interest, but it seems to me that it assumes that all of the great roads or railroad systems that are to be taken over by the Government have been profitable within the years that are fixed as the standard for just compensation.

Mr. ROBINSON. No.

Mr. THOMAS. What I want to ask the Senator is his view as to the effect of this proposed standard of compensation upon railroads or railroad companies which in this interval were either in the hands of receivers or operated without any profit whatever.

Mr. ROBINSON. Mr. President, in reply to the question of the Senator from Colorado, I will state that there is a provision in the bill which authorizes the President to make any agreement he chooses in case he finds that the condition of any non-

dividend-paying carrier, as the bill is now written, was so exceptional during the whole or a substantial portion of the three-year period by reason of nonoperation, receivership, or the fact that the investments in property were not fairly reflected in the operating revenue or for any other abnormal cause. The provision is very broad. If the President finds that by reason of any of those things the standard of return provided for in the bill is plainly inequitable as a means of just compensation to such roads, he is, I say, authorized to make any agreement that he chooses with that road.

Mr. THOMAS. I do not recall that provision in the copy of the bill which I have.

Mr. ROBINSON. It is in the bill, I say to the Senator.

Mr. THOMAS. I am not questioning that.

Mr. ROBINSON. I will read it.

Mr. THOMAS. I do not recall it in the copy of the bill that I read last night.

Mr. ROBINSON. It is on page 5 of the bill, commencing with line 1, and I will read it:

If the President shall find that the condition of any nondividend-paying carrier was during all or a substantial portion of the period of three years ended June 30, 1917, because of nonoperation, receivership, or where recent expenditures for additions or improvements or equipment were—

I read it "were"; it is printed in the bill "when"—

not fully reflected in the net operating railway income of the said three years or a substantial portion thereof, or other undeveloped or abnormal conditions, so exceptional as to make the basis of earnings, hereinabove provided for, plainly inequitable as a fair measure of just compensation, then the President may make with the carrier such agreement for such amount as just compensation as under the circumstances of the particular case he shall find just.

Mr. CUMMINS. Mr. President—

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

Mr. CUMMINS. The paragraph just read by the Senator from Arkansas relates only to nondividend-paying carriers, and gives the President with regard to those railroads the authority to pay more than the standard return described in the bill.

Mr. ROBINSON. And also the authority to pay less.

Mr. CUMMINS. It was intended to give him the authority to pay more.

Mr. ROBINSON. Yes; certainly; or to pay something where nothing had been received during the three-year period.

Mr. CUMMINS. Precisely.

Mr. ROBINSON. Those that have not been in operation, of course, would not have any standard return.

Mr. CUMMINS. I have no objection to that; I think that is a very wise provision, because there are many railroads concerning which the standard return would not be just compensation. I think that all were convinced of that; and my remarks, of course, were devoted entirely to the other class of railroads.

Mr. ROBINSON. I will state to the Senator from Iowa that that is the reason that I have laid no emphasis on the provision to which the Senator from Colorado has referred. I, too, was confining my remarks principally to the provision the Senator from Iowa discussed.

Mr. NORRIS. Mr. President—

The PRESIDING OFFICER. Does the Senator from Arkansas yield to the Senator from Nebraska?

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

Mr. NORRIS. While the Senator is on that subject, I should like to inquire, if some road should not come under the provision the Senator has read, but still was paying a dividend that was so small that anybody could see that it was inadequate, what provision does the bill make for payment in such a case; for instance, if a road, instead of being a nondividend-paying road, is paying 1 per cent, which everyone concedes is not enough?

Mr. ROBINSON. No roads have done that. I will say to the Senator from Nebraska that the record does not disclose that there are any roads within that class. The committee proceeded upon the theory that the railroads might very well be divided into two classes in respect to dividends, namely, dividend-paying roads; that is, those roads which pay what is called a regular dividend and nondividend-paying roads—roads which do not pay any regular dividend.

Mr. KING. Mr. President—

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

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

Mr. KING. As I understand the Senator, there is no purpose on the part of the committee in this proposed legislation to transmute a road which pays an irregular and a small dividend into a regular dividend-paying road, or, at least, to give that road the same compensation as would be given to roads

that had been making large earnings and had been paying dividends in a regular way?

Mr. ROBINSON. Oh, certainly not. The clause that I have just read, in response to the question of the Senator from Colorado, was designed to meet cases where the subject matter would have to be litigated, unless some provision of that sort were inserted. There are many roads, for instance, that were not operated for a substantial portion of the three-year period. There are others that are just beginning operations; there are a number that have been in receiverships, where the standard would not be applicable for many reasons that are recognized, and the purpose of the provision is to enable the President to agree with the roads that are in an exceptional class and that can not for one reason or another accept the standard return. Of course, as to a road that has been operating at a loss, if such there be, the Government, if it takes the property, would have to pay something, and the President is given the power to determine that.

Mr. SMITH of South Carolina. Mr. President—

Mr. ROBINSON. I yield to the Senator from South Carolina.

Mr. SMITH of South Carolina. I think, before the Senator from Arkansas passes from the argument in favor of the action of the committee in fixing the standard return, that attention ought to be called to the fact that the statistics show that the standard return we propose to give the roads is practically the return they received under the rates which were in operation before the war began.

Mr. ROBINSON. I have said that; I have argued that at length. I have alleged that the standard return is based upon the revenue that they earned under governmental regulations fixed by the Interstate Commerce Commission. I went into that subject very fully, as I thought.

Mr. KING. The Senator did so at the outset of his remarks.

Mr. SMITH of South Carolina. Probably I was diverted for a few moments or was compelled to leave the Chamber for a short while.

Mr. ROBINSON. I think if the Senator will take the trouble to read the portion of the remarks I made while he was out he will find it.

Mr. President, I am very grateful to Senators for the very courteous attention with which they have listened to me concerning this subject. It is a difficult one. If one were to follow his natural disposition, it would probably be to pay the railroads just as little as possible, but, under my oath as a public officer and in consideration of what I conceive to be my duty, I must not attempt willfully to deprive the railroads of what they are entitled to, and at the same time I must not seek to impose upon the public an unfair burden.

The supreme crisis which now confronts civilization will probably be passed within the next six months. Every student must recognize the necessity for marshaling our resources and more forcefully applying our energies. Along almost 500 miles of battle front a conflict will likely soon begin which may determine the fate of civilization.

The railroads of the country are a material and necessary factor in the successful prosecution of this war on the part of the United States. We must operate them during the war under unified control; we must speedily hasten to France the troops and supplies which are necessary to enable us successfully to maintain this combat. This measure is a part of the administration war program. It has been found necessary in the public interest, and the administration and the public await with anxiety the final disposition of this bill.

Mr. CUMMINS. Mr. President, there are two statements made by the Senator from Arkansas to which I desire to make a very brief reply. He has questioned the propriety of a remark which I made more than once during the course of my argument respecting the character of the issue which we are now settling. I hope the Senator from Arkansas did not understand that I even intimated that a settlement of this question by the courts or through legal proceedings was subject to review in a political forum. I tried to make it very clear that I desired full compensation to be paid to the railway companies, and that the best way in the world to ascertain what that compensation is, or ought to be, was by resort to legal tribunals, and that with the result or with the award that might be made by these tribunals every good citizen of the land must be content, and by them he must abide. The suggestion I made was with regard to agreements concerning compensation, and that presents a political question—not a partisan but a political question. The wisdom or unwisdom of making a particular agreement with the railway companies concerning compensation is one which belongs to the people of this country, and they will finally settle it. I did not assume, of course, that the conclusion reached by any Senator or the vote cast by any

Senator would be influenced by anything save his own conscience and his own judgment. I have so high an opinion of the discrimination of the Senator from Arkansas that I wanted to make that distinction perfectly clear. I know that he must appreciate the difference between the two things.

In the second place, he has stated several times that the system of rates under which the earnings of the railway companies of the United States had been accumulated in the last three years is a system of rates established by the Government. I can not concur in that statement; it is, in my judgment, inaccurate. The Government has never established a system of rates; the Government has the power, through the Interstate Commerce Commission, to revise, upon complaint or upon its own motion, rates which have been initiated and established by the carriers. It has no further or other power in that respect, and the Interstate Commerce Commission has not at any time established the generally prevailing rates for the movement of commodities throughout the United States. It has passed from time to time upon complaints, either upon the part of a shipper or some one else interested, upon the reasonableness of certain rates, and it has passed from time to time, upon the application of the railway companies, upon the propriety of an increase in certain rates; but it is not accurate to declare that the rates which have been established and which have been effective in the United States have been established by the judgment of the Government. They have been established by the judgment of the carriers, subject only to revision, under proper circumstances, by the commission.

EXECUTIVE SESSION.

Mr. SMITH of South Carolina. 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.

PETITIONS AND MEMORIALS.

Mr. THOMPSON presented a petition of Reno Post, No. 83, Grand Army of the Republic, Department of Kansas, of Nickerson, Kans., praying for an increase in the pensions of veterans of the Civil War, which was referred to the Committee on Pensions.

He also presented a petition of the Board of Medical Registration and Examination of the State of Kansas, praying for the enactment of legislation to provide for the creation of advanced rank for the Medical Corps of the Army, which was referred to the Committee on Military Affairs.

He also presented a memorial of the Retail Merchants' Association, of Osawatomie, Kans., remonstrating against the repeal of the second-class postage rate, which was referred to the Committee on Post Offices and Post Roads.

Mr. GRONNA. I present a concurrent resolution of the special session of the Fifteenth Legislative Assembly of the State of North Dakota, which I ask may be printed in the RECORD.

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

STATE OF NORTH DAKOTA,
DEPARTMENT OF STATE,
February 11, 1918.

To all to whom these presents shall come:

I, Thomas Hall, secretary of state of the State of North Dakota and keeper of the great seal thereof, do hereby certify that the annexed copy of a concurrent resolution duly and regularly adopted by each branch of the Fifteenth Legislative Assembly of the State of North Dakota, as appears from the official journal of the house and senate of the said legislative assembly, has been compared by me with the official journal of the house and senate of the said legislative assembly in this department, and that the same is a true copy thereof, and of the whole of such record.

In testimony whereof I have hereunto set my hand and affixed the great seal of the State at the capitol, in the city of Bismarck, this 11th day of February, A. D. 1918.

[SEAL.]

THOMAS HALL,
Secretary of State.

Joint resolution. (Introduced by J. F. T. O'Connor, of Grand Forks.)

Whereas the House of Representatives of the United States has passed a proposed amendment to the Constitution of the United States extending equal suffrage to the women of our Nation; and

Whereas the proposed amendment is now before the Senate of the United States for consideration; and

Whereas all the political parties in the State of North Dakota have declared in their platforms for equal suffrage; and

Whereas equal suffrage has been indorsed by the President of the United States: Therefore be it

Resolved by the House of Representatives of the State of North Dakota (the Senate concurring therein), That our Senators in Congress be urged to vote for the equal suffrage amendment; and be it further

Resolved, That copies of the resolution be sent to our Senators and Representatives in Congress, to the President of the United States, and to the Secretary of State for the United States of America.

Mr. GRONNA. I present a concurrent resolution of the Fifteenth Legislative Assembly of the State of North Dakota, which I ask may be printed in the RECORD.

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

STATE OF NORTH DAKOTA,
DEPARTMENT OF STATE,
February 11, 1918.

To all to whom these presents shall come.

I, Thomas Hall, secretary of state of the State of North Dakota and keeper of the great seal thereof, do hereby certify that the annexed copy of a concurrent resolution duly and regularly adopted by each branch of the special session of the Fifteenth Legislative Assembly of the State of North Dakota as appears from the official journal of the house and senate of the said special session has been compared by me with the official journal of the house and senate of the said special session of the Fifteenth Legislative Assembly in this department, and that the same is a true copy thereof and of the whole of such record.

In testimony whereof I have hereunto set my hand and affixed the great seal of the State at the capitol in the city of Bismarck, this 11th day of February, A. D. 1918.

THOMAS HALL,
Secretary of State.

Concurrent resolution introduced by woman's suffrage committee—a concurrent resolution to the Federal Congress and the Senators and Representatives therein from the State of North Dakota concerning the Susan B. Anthony national amendment.

Be it resolved by the Senate of North Dakota (the House of Representatives concurring therein), as follows:

Whereas there is now pending before the National Congress of the United States an amendment to the Federal Constitution known as the Susan B. Anthony national amendment; and

Whereas the Legislative Assembly of the State of North Dakota believe that the same should be submitted to the States of this Union as an amendment to our Federal Constitution: Now, therefore, be it

Resolved, That the State of North Dakota, through its legislative assembly, does herewith respectfully petition and urge the National Congress of the United States to favorably consider and early approve the said Susan B. Anthony national suffrage amendment; and be it

Resolved, That the secretary of state be instructed to send a copy of these resolutions to the Senators and Representatives of the State of North Dakota in Congress.

Mr. PHELAN presented a petition of Labor Council of San Francisco, Cal., praying for an increase in the salaries of all civilian employees of the Government, which was referred to the Committee on Appropriations.

Mr. CALDER presented a petition of the Alumnae Association of Vassar College, praying for the submission of a Federal suffrage amendment to the legislatures of the several States, which was ordered to lie on the table.

Mr. KELLOGG presented a petition of sundry citizens of St. Paul, Minn., praying for the repeal of section 209 of the war-revenue act, which was referred to the Committee on Finance.

REPORTS OF COMMITTEES.

Mr. PHELAN, from the Committee on Irrigation and Reclamation of Arid Lands, to which was referred the bill (S. 758) to increase the productive agricultural area of the United States by the reclamation of arid and swamp lands, reported it with amendments and submitted a report (No. 271) thereon.

Mr. ASHURST, from the Committee on Indian Affairs, to which was referred the bill (H. R. 8696) making appropriations for the current and contingent expenses of the Bureau of Indian Affairs, for fulfilling treaty stipulations with various Indian tribes, and for other purposes, for the fiscal year ending June 30, 1919, reported it with amendments and submitted a report (No. 272) thereon.

He also, from the same committee, to which was referred the bill (S. 279) authorizing the Secretary of the Interior to issue patents in certain cases to missionary or religious organizations, reported it without amendment and submitted a report (No. 273) thereon.

Mr. MYERS, from the Committee on Military Affairs, to which was referred the bill (S. 921) for the relief of James Duffy, reported it without amendment and submitted a report (No. 274) thereon.

Mr. CHAMBERLAIN, from the Committee on Military Affairs, to which were referred the following bills, reported them each without amendment and submitted reports thereon:

A bill (S. 3802) authorizing appropriations made for the national security and defense to be used for the purchase of real estate, or the use thereof, when such purpose is not specifically stated in said appropriations (Rept. No. 275);

A bill (S. 3800) to provide for restoration to their former grades of enlisted men discharged to accept commissions, and for other purposes (Rept. No. 276);

A bill (S. 3803) authorizing the President during the existing emergency to sell war supplies, materials, and equipment heretofore or hereafter purchased, acquired, or manufactured by the United States (Rept. No. 277);

A bill (S. 3801) to amend section 8 of "An act to authorize the President to increase temporarily the Military Establishment of the United States," approved May 18, 1917 (Rept. No. 278);

A bill (S. 121) to prevent the desecration of the flag of the United States, and to provide punishment therefor (Rept. No. 279); and

A bill (S. 3528) to suspend for the period of the present emergency sections 45, 46, and 56 of an act entitled "An act for making further and more effectual provisions for the national defense, and for other purposes," approved June 3, 1916, and for other purposes (Rept. No. 280).

BILLS INTRODUCED.

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

By Mr. POINDEXTER:

A bill (S. 3872) appropriating the sum of \$2,000, to be used under the direction of the Yakima Tribal Council for expense in presenting Indian matters to the Government officials in Washington City or in the employment of attorneys to assist them in securing information relative to tribal rights and property; to the Committee on Indian Affairs.

By Mr. HALE:

A bill (S. 3873) granting a pension to Isabel Wardwell (with accompanying papers); to the Committee on Pensions.

By Mr. CALDER:

A bill (S. 3874) providing medals for certain persons; and
A bill (S. 3875) for the promotion of Col. William A. Simpson, United States Army, retired; to the Committee on Military Affairs.

A bill (S. 3876) granting a pension to Jennie Magee; and
A bill (S. 3877) granting a pension to Leonora Forney; to the Committee on Pensions.

By Mr. JOHNSON of California:

A bill (S. 3878) to fix the compensation of certain employees of the United States; to the Committee on Appropriations.

By Mr. HENDERSON:

A bill (S. 3879) for the relief of the Overland Trust & Realty Co., of Reno, Nev.; to the Committee on Public Lands.

A bill (S. 3880) to extend the franking privilege to the officers of State councils of defense; to the Committee on Post Offices and Post Roads.

By Mr. MYERS:

A bill (S. 3881) to provide for the sale of isolated tracts of enlarged-homestead land; to the Committee on Public Lands.

By Mr. SUTHERLAND:

A bill (S. 3882) for the relief of Killian Delabar; to the Committee on Claims.

A bill (S. 3883) granting a pension to Harrison Pierson; to the Committee on Pensions.

A bill (S. 3884) to regulate the salaries of fourth-class postmasters; to the Committee on Post Offices and Post Roads.

GRAND CANYON NATIONAL PARK.

Mr. ASHURST submitted an amendment intended to be proposed by him to the bill (S. 390) to establish the Grand Canyon National Park in the State of Arizona, which was referred to the Committee on Public Lands and ordered to be printed.

THE COMMITTEE ON THE CENSUS.

Mr. SHEPPARD submitted the following resolution (S. Res. 206), which was read and referred to the Committee to Audit and Control the Contingent Expenses of the Senate:

Resolved, That the Committee on the Census of the United States Senate be, and it is hereby, authorized to employ an additional clerk, at the rate of \$100 per month, to be paid out of the miscellaneous items of the contingent fund of the Senate, for a period lasting until the end of the present session of the Congress.

ADDRESS BY BAINBRIDGE COLBY.

Mr. FLETCHER. Mr. President, I have a copy of a very impressive address by Mr. Bainbridge Colby, a member of the Shipping Board, on the rapid and continued construction of merchant vessels. I ask that it be referred to the Committee on Printing with a view to having it printed as a public document.

The PRESIDING OFFICER (Mr. McKELLAR in the chair). Without objection, it will be so ordered.

WOMAN SUFFRAGE.

Mr. THOMPSON. I present in the form of a petition a short editorial appearing in the Washington Evening Star regarding woman suffrage. I ask unanimous consent that it may be printed in the RECORD, to be considered in connection with that important subject when the resolution providing for the submission of the national amendment is before the Senate for final action.

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

MOVING TOWARD SUFFRAGE.

Both of the national committees having declared in favor of Federal woman suffrage, the two parties stand aligned on this issue on equal terms. The other day the executive committee of the Democratic Party voted 5 to 2 in favor of suffrage, while a poll of the full national committee showed 28 for and 14 against the Anthony amendment and 6 unreported. The Republican national committee at St. Louis has just adopted a resolution virtually to the same effect, commending the votes of these Republican Members of the House who favored the amendment. These declarations must have an effect upon the Senate, which is soon to vote on the proposed constitutional amendment. Converts to the cause are being reported from time to time, though not identified, for the campaigners for the women's cause are shrewd enough to keep their "captures" undisclosed to prevent pressure from the other side. It is known that the situation is very close, and the fact that no move is being made at present to bring the resolution to a vote suggests that its advocates are not quite sure of having yet the necessary two-thirds. Suffrage, however, can not be indefinitely postponed. It is bound to win eventually, so why not now?

BUREAU OF EFFICIENCY (H. DOC. NO. 901).

The PRESIDING OFFICER laid before the Senate the following message from the President of the United States, which was read and referred to the Committee on Appropriations and ordered to be printed:

To the Senate and House of Representatives:

As required by the acts of Congress approved March 4, 1915, and February 28, 1916, I transmit herewith the report of the United States Bureau of Efficiency for the period from November 1, 1916, to October 31, 1917.

WOODROW WILSON.

THE WHITE HOUSE, 16 February, 1918.

ADJOURNMENT.

Mr. MARTIN. I move that the Senate do now adjourn.

The motion was agreed to, and (at 3 o'clock and 20 minutes p. m.) the Senate adjourned until Monday, February 18, 1918, at 12 o'clock m.

NOMINATIONS.

Executive nominations received by the Senate February 16 (legislative day of February 15), 1918.

CONSULAR SERVICE.

CLASS 8.

Ralph H. Bader, of Virginia, now vice consul and interpreter at Teheran, to be a consul of class 8 of the United States of America.

Thomas H. Bevan, of Maryland, now a consular assistant, to be a consul of class 8 of the United States of America.

William W. Brunswick, of Kansas, now vice consul at Havre, to be a consul of class 8 of the United States of America.

Algar E. Carleton, of Vermont, now vice consul at Hongkong, to be a consul of class 8 of the United States of America.

Felix Cole, of the District of Columbia, now vice consul at Archangel, to be a consul of class 8 of the United States of America.

Harris N. Cookingham, of New York, now vice consul at Barcelona, to be a consul of class 8 of the United States of America.

Paul H. Cram, of Maine, now vice consul at Certe, to be a consul of class 8 of the United States of America.

Raymond S. Curtice, of Pennsylvania, now vice consul and interpreter at Seoul, to be a consul of class 8 of the United States of America.

J. Preston Doughten, of Delaware, now vice consul at Calcutta, to be a consul of class 8 of the United States of America.

Stillman W. Eells, of New York, now vice consul at Hamilton, Bermuda, to be a consul of class 8 of the United States of America.

John A. Embry, of Florida, now vice consul at Odessa, to be a consul of class 8 of the United States of America.

Robert W. Harnden, of California, now vice consul at Seville, to be a consul of class 8 of the United States of America.

Samuel W. Honaker, of Texas, now vice consul at Johannesburg, to be a consul of class 8 of the United States of America.

Paul R. Josselyn, of Iowa, now vice consul and interpreter at Tientsin, to be a consul of class 8 of the United States of America.

Robert L. Keiser, of Indiana, now vice consul at Sao Paulo, to be a consul of class 8 of the United States of America.

Irving N. Linnell, of Massachusetts, now vice consul at Vancouver, to be a consul of class 8 of the United States of America.

Leland B. Morris, of Pennsylvania, lately vice consul and interpreter at Smyrna, now on detail in the Department of State, to be a consul of class 8 of the United States of America.

Charles Roy Nasmith, of New York, now a consular assistant, to be a consul of class 8 of the United States of America.

Harold B. Quarton, of Iowa, now a consular assistant, to be a consul of class 8 of the United States of America.

Raymond P. Tenney, of Massachusetts, now assistant Chinese secretary to the American legation at Peking, to be a consul of class 8 of the United States of America.

Hugh H. Watson, of Vermont, now vice consul at Liverpool, to be a consul of class 8 of the United States of America.

George W. Young, of Maryland, lately vice consul and interpreter at Aleppo, now on detail at Bordeaux, to be a consul of class 8 of the United States of America.

TEMPORARY PROMOTIONS IN THE ARMY.

FIELD ARTILLERY ARM.

To be first lieutenants with rank from August 30, 1917.

Second Lieut. William R. Gerhardt, Field Artillery, vice First Lieut. Erwin C. W. Davis, promoted.

Second Lieut. Theodore E. Buechler, Field Artillery, vice First Lieut. Emile G. De Coen, promoted.

Second Lieut. Frederick E. Tibbetts, jr., Field Artillery, vice First Lieut. Arthur N. White, promoted.

Second Lieut. Samuel D. Ringsdorf, Field Artillery, vice First Lieut. Patrick L. Lynch, promoted.

Second Lieut. Redmond F. Kernan, jr., Field Artillery, vice First Lieut. Ivan N. Bradley, promoted.

Second Lieut. Theodore L. Futch, Field Artillery, vice First Lieut. John J. McCollister, promoted.

Second Lieut. Russell L. Meredith, Field Artillery, vice First Lieut. Frank A. Roberts, promoted.

Second Lieut. William I. Wilson, Field Artillery, vice First Lieut. William D. Alexander, promoted.

Second Lieut. Harold A. Cooney, Field Artillery, vice First Lieut. Herbert L. Lee, promoted.

Second Lieut. John T. Knight, jr., Field Artillery, vice First Lieut. Richard J. Marshall, promoted.

Second Lieut. Miles A. Cowles, Field Artillery, vice First Lieut. Ralph T. Heard, promoted.

Second Lieut. Lawrence McC. Jones, Field Artillery, vice First Lieut. Harcourt Hervey, promoted.

Second Lieut. Gordon G. Heiner, jr., Field Artillery, vice First Lieut. Francis W. Sheppard, promoted.

Second Lieut. Edward J. Wolff, jr., Field Artillery, vice First Lieut. Robert W. Daniels, promoted.

To be first lieutenant with rank from October 25, 1917.

Second Lieut. Addison H. Douglass, Field Artillery, vice First Lieut. John S. Winslow, promoted.

To be first lieutenants with rank from October 26, 1917.

Second Lieut. Arthur E. Fox, Field Artillery, vice First Lieut. George N. Ruhberg, promoted.

Second Lieut. Lewis A. Bond, Field Artillery, vice First Lieut. Armand Durant, promoted.

Second Lieut. Robert A. B. Goodman, Field Artillery, vice First Lieut. Thomas T. Handy, promoted.

Second Lieut. Devereaux C. Josephs, Field Artillery, vice First Lieut. Frank B. Tipton, jr., promoted.

Second Lieut. Henry M. Rees, Field Artillery, vice First Lieut. Stanley F. Bryan, promoted.

Second Lieut. John G. Paul, Field Artillery, vice First Lieut. Oliver L. Haines, promoted.

Second Lieut. James P. Brinckerhoff, Field Artillery, vice First Lieut. Oscar I. Gates, promoted.

Second Lieut. William G. Cummings, Field Artillery, vice First Lieut. Gerald E. Brower, promoted.

Second Lieut. Harold T. Brotherton, Field Artillery, vice First Lieut. William J. Jones, promoted.

Second Lieut. Larkin W. Glazebrook, jr., Field Artillery, vice First Lieut. Yarrow D. Vesely, promoted.

Second Lieut. Samuel D. Smoley, Field Artillery, vice First Lieut. William B. Dunwoody, promoted.

Second Lieut. Charles F. Neave, Field Artillery, vice First Lieut. Charles B. Thomas, promoted.

Second Lieut. Robert W. Wilson, Field Artillery, vice First Lieut. Oliver J. Bond, jr., promoted.

Second Lieut. Donald H. Brown, Field Artillery, vice First Lieut. Robert H. Ennis, promoted.

Second Lieut. Ralph de P. Terrell, Field Artillery, vice First Lieut. Benjamin E. Carter, promoted.

Second Lieut. Stephen B. Ives, Field Artillery, vice First Lieut. Henry B. Parker, promoted.

Second Lieut. Robert F. Webb, Field Artillery, vice First Lieut. Francis Fielding-Reid, promoted.

Second Lieut. William G. Lasch, Field Artillery, vice First Lieut. Harold R. Ristine, promoted.

Second Lieut. Miller H. Pontius, Field Artillery, vice First Lieut. Edmund B. Edwards, promoted.

Second Lieut. Fritz A. Nagel, Field Artillery, vice First Lieut. Oscar L. Gruhn, promoted.

Second Lieut. Adrian J. McDonald, Field Artillery, vice First Lieut. Theodore W. Wrenn, promoted.

Second Lieut. John E. Hartigan, Field Artillery, vice First Lieut. Harold W. Rehm, promoted.

Second Lieut. John L. Handy, Field Artillery, vice First Lieut. John B. Pitney, promoted.

Second Lieut. Edgar A. O'Hair, Field Artillery, vice First Lieut. Clifford H. Tate, promoted.

Second Lieut. Stephen Mahon, Field Artillery, vice First Lieut. Ottomar O'Donnell, promoted.

Second Lieut. Addison B. Green, Field Artillery, vice First Lieut. Oliver P. Echols, promoted.

Second Lieut. John R. Shepley, Field Artillery, vice First Lieut. Clement Ripley, promoted.

Second Lieut. Roger A. Sanford, Field Artillery, vice First Lieut. Edward M. Smith, promoted.

Second Lieut. Kenneth L. Holmes-Brown, Field Artillery, vice First Lieut. John O. Hoskins, promoted.

Second Lieut. Oliver B. Cunningham, Field Artillery, vice First Lieut. William Clarke, promoted.

Second Lieut. Harvey E. Ragland, Field Artillery, vice First Lieut. Albert R. Ives, promoted.

Second Lieut. Charles H. Burchenal, Field Artillery, vice First Lieut. Arthur Brigham, jr., promoted.

Second Lieut. Robert E. Crotty, Field Artillery, vice First Lieut. William M. Jackson, promoted.

Second Lieut. Wilton Lloyd-Smith, Field Artillery, vice First Lieut. Joseph A. Sheridan, promoted.

Second Lieut. Frank C. Delaney, Field Artillery, vice First Lieut. Hugh C. Minton, promoted.

Second Lieut. Pell W. Foster, jr., Field Artillery, vice First Lieut. Charles W. Gallaher, promoted.

Second Lieut. Kennedy Hassenzahl, Field Artillery, vice First Lieut. Laurence V. Houston, promoted.

Second Lieut. Arthur P. Patterson, Field Artillery, vice First Lieut. Stacy Knopf, promoted.

Second Lieut. Robert P. Reynolds, Field Artillery, vice First Lieut. James M. Garrett, promoted.

Second Lieut. Philip G. Hodge, Field Artillery, vice First Lieut. David M. Pope, promoted.

Second Lieut. Dennis P. McCarthy, Field Artillery, vice First Lieut. Eugene H. Willenbucker, promoted.

Second Lieut. Albert Tate, Field Artillery, vice First Lieut. Louis C. Arthur, jr., promoted.

Second Lieut. Le Count H. Slocum, Field Artillery, vice First Lieut. John F. Hubbard, promoted.

Second Lieut. John H. Shelton, Field Artillery, vice First Lieut. Franklin M. Davison, promoted.

Second Lieut. Louis H. Lathrop, Field Artillery, vice First Lieut. William E. Shepherd, jr., promoted.

Second Lieut. John Van H. Challiss, Field Artillery, vice First Lieut. Robert M. Bathurst, promoted.

Second Lieut. Junius S. Roberts, Field Artillery, vice First Lieut. William H. Saunders, promoted.

Second Lieut. Frederic W. W. Graham, jr., Field Artillery, vice First Lieut. Charles H. Hurdis, promoted.

Second Lieut. Joseph R. Estabrook, Field Artillery, vice First Lieut. Henry J. Schroeder, promoted.

Second Lieut. Harold D. Finley, Field Artillery, vice First Lieut. James K. Tully, promoted.

Second Lieut. Leo Joseph Vogel, Field Artillery, vice First Lieut. John M. Devine, promoted.

Second Lieut. James P. Kelly, Field Artillery, vice First Lieut. Harold A. Nisely, promoted.

Second Lieut. Richard B. von Maur, Field Artillery, vice First Lieut. James L. Guion, promoted.

Second Lieut. Harold T. Deeds, Field Artillery, vice First Lieut. George D. Wahl, promoted.

Second Lieut. Millard L. Hamaker, Field Artillery, vice First Lieut. Basil H. Berry, promoted.

Second Lieut. John B. Fidler, Field Artillery, vice First Lieut. Ray H. Lewis, promoted.

Second Lieut. Wilbur B. Sumner, Field Artillery, vice First Lieut. Solomon F. Clark, promoted.

Second Lieut. Douglas Henry, Field Artillery, vice First Lieut. Augustus M. Gurney, promoted.

Second Lieut. John A. Graves, Field Artillery, vice First Lieut. Oliver B. Cardwell, promoted.

Second Lieut. Hastings S. Morse, Field Artillery, vice First Lieut. William O. Butler, promoted.

Second Lieut. George M. Schurman, Field Artillery, vice First Lieut. Rex W. Beasley, promoted.

Second Lieut. William E. Corkill, Field Artillery, vice First Lieut. Frank Langham, promoted.

Second Lieut. Charles D. Brown, Field Artillery, vice First Lieut. William F. Maher, promoted.

Second Lieut. Lester M. Kilgarif, Field Artillery, vice First Lieut. Walter F. Wright, promoted.

Second Lieut. Henry W. Krotzer, Field Artillery, vice First Lieut. Sidney F. Dunn, promoted.

Second Lieut. James B. Catlett, Field Artillery, vice First Lieut. Louis W. Hasslock, promoted.

Second Lieut. Robert L. Randol, Field Artillery, vice First Lieut. Breckinridge A. Day, promoted.

Second Lieut. Douglas L. Crane, Field Artillery, vice First Lieut. Paul C. Harper, promoted.

Second Lieut. Melville H. Rood, Field Artillery, vice First Lieut. Joseph Kennedy, promoted.

Second Lieut. Thomas L. Chalmers, Field Artillery, vice First Lieut. George D. Shea, promoted.

Second Lieut. Harry N. Blue, Field Artillery, vice First Lieut. John V. D. Hume, promoted.

Second Lieut. Fredric H. Timmerman, Field Artillery, vice First Lieut. Woodrow W. Woodbridge, promoted.

Second Lieut. James H. McHenry, Field Artillery, vice First Lieut. Gervas S. Taylor, promoted.

Second Lieut. Alford J. Bardford, Field Artillery, vice First Lieut. John G. Pennypacker, promoted.

Second Lieut. Gurney L. Smith, Field Artillery, vice First Lieut. Richard H. Schubert, promoted.

Second Lieut. John M. Franklin, Field Artillery, vice First Lieut. Edward J. F. Marx, promoted.

Second Lieut. George S. Goodspeed, Field Artillery, vice First Lieut. Wilbur C. Carlan, promoted.

Second Lieut. Amos E. Carmichael, Field Artillery, vice First Lieut. George R. Rede, promoted.

Second Lieut. Raymond H. Seagle, Field Artillery, vice First Lieut. Gilbert F. Kearns, promoted.

Second Lieut. John V. Anderson, Field Artillery, vice First Lieut. Van Rensselaer Vestal, promoted.

Second Lieut. Leon C. Swager, Field Artillery, vice First Lieut. John H. Carriker, promoted.

Second Lieut. Henry W. Wiley, Field Artillery, vice First Lieut. Peter P. Michalek, promoted.

Second Lieut. Walter Rompel, Field Artillery, vice First Lieut. William G. Gough, promoted.

Second Lieut. Winfred C. Green, Field Artillery, vice First Lieut. Joseph H. Mullherrin, promoted.

Second Lieut. Marion I. Voorhes, Field Artillery, vice First Lieut. Azel W. McNeal, promoted.

Second Lieut. Algernon S. Coleman, Field Artillery, vice First Lieut. David H. Trevor, detailed in the Signal Corps.

Second Lieut. Leslie W. Devereux, Field Artillery, vice First Lieut. William B. Wrigley, jr., promoted.

Second Lieut. Robert F. LaBarron, Field Artillery, vice First Lieut. Victor H. Bridgman, jr., promoted.

Second Lieut. Edgar G. Crossman, Field Artillery, vice First Lieut. Wendell L. Bevan, promoted.

Second Lieut. James H. Boyd, Field Artillery, vice First Lieut. Henry J. MacPeake, promoted.

Second Lieut. Ralph K. Learnard, Field Artillery, vice First Lieut. Frank W. Lykes, promoted.

Second Lieut. Pitt F. Carl, jr., Field Artillery, vice First Lieut. Richard T. Guthrie, promoted.

Second Lieut. David W. Potter, Field Artillery, vice First Lieut. Ittal A. Luke, promoted.

Second Lieut. John H. Gardner, jr., Field Artillery, vice First Lieut. Roger Griswold, promoted.

Second Lieut. Earl C. Ewert, Field Artillery, vice First Lieut. Henry Lockwood, jr., promoted.

Second Lieut. Donald D. Demarest, Field Artillery, vice First Lieut. Alan L. Campbell, promoted.

Second Lieut. David J. Fitzgerald, Field Artillery, vice First Lieut. Oscar B. Rall, jr., promoted.

Second Lieut. William C. Chanler, Field Artillery, vice First Lieut. John R. Larkin, promoted.

Second Lieut. Ralph W. Hahn, Field Artillery, vice First Lieut. Douglas R. Coleman, promoted.

Second Lieut. Orrin P. Kilbourn, Field Artillery, vice First Lieut. George P. Winton, promoted.

Second Lieut. Robert E. Jacobson, Field Artillery, vice First Lieut. George F. Downing, promoted.

Second Lieut. John T. Clancy, Field Artillery, vice First Lieut. Wallace W. Crawford, promoted.

Second Lieut. Richard A. Miller, Field Artillery, vice First Lieut. Christiancy Pickett, promoted.

Second Lieut. Winthrop W. Leach, Field Artillery, vice First Lieut. Rush H. Rogers, promoted.

To be first lieutenant with rank from November 3, 1917.

Second Lieut. John W. O'Harrow, jr., Field Artillery, vice First Lieut. John C. Adams, promoted.

To be first lieutenants with rank from November 5, 1917.

Second Lieut. James B. Dick, Field Artillery, vice First Lieut. Arthur C. Waters, promoted.

Second Lieut. Carol S. S. Kennedy, Field Artillery, vice First Lieut. Ernest T. Barco, promoted.

To be first lieutenants with rank from November 13, 1917.

Second Lieut. Dan Cummins Kenan, Field Artillery, vice First Lieut. Lester A. Daugherty, promoted.

Second Lieut. Joseph A. Martz, Field Artillery, vice First Lieut. Walter G. Witt, promoted.

To be first lieutenant with rank from November 22, 1917.

Second Lieut. Andrew S. Messick, Field Artillery, vice First Lieut. Joseph E. Takken, promoted.

To be first lieutenant with rank from November 25, 1917.

Second Lieut. Lee B. Goff, jr., Field Artillery, vice First Lieut. Raymond J. Watrous, promoted.

To be first lieutenant with rank from December 5, 1917.

Second Lieut. Kenneth S. Wallace, Field Artillery, vice First Lieut. Jerome J. Waters, jr., promoted.

To be first lieutenant with rank from January 2, 1918.

Second Lieut. Ralph Heatherington, Field Artillery, vice First Lieut. Thomas G. Hanson, jr., promoted.

To be first lieutenant with rank from January 8, 1918.

Second Lieut. Eugene B. Ripley, jr., Field Artillery, vice First Lieut. Bertram N. Rock, promoted.

To be first lieutenant with rank from January 21, 1918.

Second Lieut. Thornton Davis, Field Artillery, vice First Lieut. Alexander S. Quintard, promoted.

To be first lieutenants with rank from January 24, 1918.

Second Lieut. Frederick M. Williams, Field Artillery, vice First Lieut. Marcus A. S. Ming, promoted.

Second Lieut. Harry B. Routh, Field Artillery, vice First Lieut. Lewis E. Goodrich, promoted.

To be first lieutenant with rank from January 25, 1918.

Second Lieut. William E. Farthing, Field Artillery, vice First Lieut. Victor R. Woodruff, promoted.

To be first lieutenant with rank from February 6, 1918.

Second Lieut. Jackson H. Boyd, Field Artillery, vice First Lieut. Robert W. Yates, promoted.

To be first lieutenant with rank from February 7, 1918.

Second Lieut. Noel Noyes, Field Artillery, vice First Lieut. Dan C. Schmah, promoted.

POSTMASTERS.

ALABAMA.

Walter H. Speegle to be postmaster at Hartsells, Ala., in place of Elizabeth Simpson. Incumbent's commission expired May 20, 1917.

Leon M. Stevenson to be postmaster at Roanoke, Ala., in place of W. Z. East. Incumbent's commission expired November 13, 1917.

ARIZONA.

Leslie C. Jolly to be postmaster at Clarkdale, Ariz., in place of Otto Janssen, resigned.

Mary E. Brown to be postmaster at Parker, Ariz., in place of Allen W. Bryant, resigned.

John W. Brown to be postmaster at St. Johns, Ariz., in place of C. Scheele. Office became presidential April 1, 1917.

CALIFORNIA.

Jennie F. Curry to be postmaster at Camp Curry, Cal., in place of David A. Curry, deceased.

Janet D. Watson to be postmaster at Tahoe, Cal., in place of Herbert S. Watson, resigned.

Susan M. Sigler to be postmaster at Universal City, Cal., in place of Frederick Donaghy, deceased.

COLORADO.

William M. Kintner to be postmaster at Swink, Colo., in place of David M. Fox, resigned.

FLORIDA.

Walter B. Leonard to be postmaster at Hastings, Fla., in place of Charles E. Kettle, resigned.

ILLINOIS.

Patrick H. Fitzgerald to be postmaster at Tiskilwa, Ill., in place of Addie M. Chenoweth, deceased.

KANSAS.

Henry Mattison to be postmaster at Mount Hope, Kans., in place of W. E. Mattison, deceased.

KENTUCKY.

H. Otto Razor to be postmaster at Salt Lick, Ky., in place of E. Thurston Royse, deceased.

LOUISIANA.

Clifford C. Anderson, jr., to be postmaster at Lake Arthur, La., in place of W. G. Chapman. Incumbent's commission expired April 28, 1917.

Edwin H. Hall to be postmaster at Mooringsport, La., in place of M. M. Bonham, resigned.

Maggie E. Jones to be postmaster at Ringgold, La., in place of Maggie Tooke. Office became presidential October 1, 1917.

MISSOURI.

Robert S. Harriman to be postmaster at Pilot Grove, Mo., in place of Edverda Barnes, resigned.

NEW JERSEY.

Francis J. Imlay to be postmaster at Allenhurst, N. J., in place of R. Crawford. Office became presidential July 1, 1916.

Clark P. Kemp to be postmaster at Little Silver, N. J., in place of George E. Borden, resigned.

J. Edward Harned to be postmaster at Woodbridge, N. J., in place of John F. Ryan, resigned.

NORTH CAROLINA.

Roy E. Wilder to be postmaster at Spring Hope, N. C., in place of Joseph S. Stallings, resigned.

NORTH DAKOTA.

Swain G. Northfield to be postmaster at Edinburg, N. Dak., in place of Andrew C. Jensen, declined.

OHIO.

William H. Wisman to be postmaster at New Paris, Ohio, in place of Harry D. Collins, resigned.

OKLAHOMA.

Fred O. Weldon to be postmaster at Comanche, Okla., in place of Jessie A. Tucker, resigned.

John L. Rogers to be postmaster at New Wilson, Okla., in place of Roy M. Mobley, resigned.

Victor A. Schiefelbusch to be postmaster at Sand Springs, Okla., in place of Lee B. Fitzhugh, resigned.

Joshua W. Anderson to be postmaster at Talihina, Okla., in place of James N. Ross, resigned.

TENNESSEE.

Cleveland M. Reames to be postmaster at Somerville, Tenn., in place of J. N. Maxwell. Incumbent's commission expired June 10, 1917.

VIRGIN ISLANDS.

W. S. Lee to be postmaster at Charlotte Amalie, Virgin Islands.

WYOMING.

Minnie C. Corum to be postmaster at Encampment, Wyo., in place of W. H. Wolford, resigned.

CONFIRMATIONS.

Executive nominations confirmed by the Senate February 16 (legislative day of February 15), 1918.

APPOINTMENTS IN THE ARMY.

QUARTERMASTER CORPS.

Brig. Gen. Isaac W. Littell to be brigadier general.

MEDICAL CORPS.

To be first lieutenants.

William Charles Munly,
Albert Elwood Pagan,
Forrest Pitt Baker,
Cole Blease Gibson,
George William Rice,
Royal Kendall Stacey,
William Campbell Colbert,
Ernest Leroy Wilson,
William Stephen Culpepper,
Charles Roland Glenn,
Gordon Adams Clapp, and
Clive Paul Mueller.

FIELD ARTILLERY ARM.

Ansel G. Wineman to be second lieutenant.

PROVISIONAL APPOINTMENTS IN THE ARMY.

INFANTRY ARM.

To be second lieutenants.

George E. Kraul,
Peter A. Ryan,
Archie D. Cameron,
Ray W. Miner, and
Jack A. Nichols.

PROVISIONAL APPOINTMENTS, BY PROMOTION, IN THE ARMY.

INFANTRY ARM.

To be captains.

First Lieut. Sigurd J. Simonsen,
First Lieut. Thomas G. Bond,
First Lieut. John E. Haywood,
First Lieut. Willis H. Hale,
First Lieut. Noe C. Killian,
First Lieut. Lindsay P. Johns,
First Lieut. Walter R. Mann,
First Lieut. Henry W. Lee,
First Lieut. Charles A. Shamotulski,
First Lieut. Sidney F. Mashbir,
First Lieut. William P. Scobey,
First Lieut. William C. Moore,
First Lieut. Albion Smith,
First Lieut. Le Roy Lutes,
First Lieut. Edwin D. Patrick,
First Lieut. Herman F. Kramer,
First Lieut. Clarence P. Evers,
First Lieut. William H. Coacher,
First Lieut. Edward S. Johnston, and
First Lieut. John T. Henderson.

To be first lieutenants.

Second Lieut. William F. Johnson,
Second Lieut. Earle T. Decker,
Second Lieut. Uel Stephens,
Second Lieut. Jack A. Nichols,
Second Lieut. George E. Kraul,
Second Lieut. Peter A. Ryan,
Second Lieut. Archie D. Cameron,
Second Lieut. Ray W. Miner,
Second Lieut. Harry A. Seymour,
Second Lieut. Edward J. Oliver,
Second Lieut. Ralph K. Fletcher,
Second Lieut. Thomas R. McCarron,
Second Lieut. Le Roy W. Wilson,
Second Lieut. Oscar P. Hilburn,
Second Lieut. Ray A. Martin,
Second Lieut. Thomas F. Troxell,
Second Lieut. Thomas E. Hibben,
Second Lieut. Edward R. Schauffler,
Second Lieut. Louis A. Kuerzi,
Second Lieut. Vance L. Richmond,
Second Lieut. Orlando C. Brown,
Second Lieut. Frank H. Hollingsworth,
Second Lieut. Earle T. Loucks,
Second Lieut. Alfred D. Cameron,
Second Lieut. Keelah Bouve,
Second Lieut. Herbert S. Havens,
Second Lieut. Joseph E. Pierce,
Second Lieut. John G. Davis,
Second Lieut. William E. G. Cooper,
Second Lieut. Thomas A. O'Brien,
Second Lieut. George H. Passmore,
Second Lieut. Wayne Marshall,
Second Lieut. George O. A. Daughtry, jr.,
Second Lieut. Edward A. O'Malley, jr.,
Second Lieut. Eugene J. M. Fitz-Gerald,
Second Lieut. Francis M. Fuller,
Second Lieut. Frank B. Hayne, jr.,
Second Lieut. Newton G. Bush,
Second Lieut. Paolo H. Sperati,
Second Lieut. Alan L. Hart,
Second Lieut. Worden H. Cowen,
Second Lieut. Russell L. Bonnell,
Second Lieut. Harold L. Morian,
Second Lieut. Le Roy W. Nichols,
Second Lieut. Francis D. Ross,
Second Lieut. Keith F. Driscoll,

Second Lieut. Sidney A. Sands,
 Second Lieut. Harvey J. Silvestone,
 Second Lieut. Christian A. Schwarzwaelder,
 Second Lieut. Charles M. Chamberlain, jr.,
 Second Lieut. Allan B. Clayton,
 Second Lieut. Harry B. Sepulveda,
 Second Lieut. Howard N. Merrill,
 Second Lieut. Sherman L. Hougen,
 Second Lieut. Melvin P. Spalding,
 Second Lieut. Bernard Meredith,
 Second Lieut. Harold G. Johnstone,
 Second Lieut. Manoa N. Svetnam,
 Second Lieut. William F. Newton,
 Second Lieut. Andrew F. Hassel,
 Second Lieut. George S. V. Little,
 Second Lieut. Gordon F. Stephens,
 Second Lieut. William MacG. Hall,
 Second Lieut. William O. Nelson,
 Second Lieut. Pierce Butler, jr.,
 Second Lieut. Albert C. Ames,
 Second Lieut. Charles L. Bolte,
 Second Lieut. William A. Moss,
 Second Lieut. Eugene C. Callahan,
 Second Lieut. William H. Duncan,
 Second Lieut. John B. Brainerd, jr.,
 Second Lieut. Theodore F. Wessels,
 Second Lieut. Edward Law,
 Second Lieut. Sherman K. Burke,
 Second Lieut. Arthur J. McChrystal,
 Second Lieut. Reynier J. Wortendyke, jr.,
 Second Lieut. Malcolm F. Lindsey,
 Second Lieut. Willard Smith,
 Second Lieut. Jean E. Nelson,
 Second Lieut. Kirkwood D. Scott,
 Second Lieut. Horace O. Cushman,
 Second Lieut. William M. Hutson,
 Second Lieut. Thomas M. Galbreath, jr.,
 Second Lieut. Carter Glass, jr.,
 Second Lieut. Lambert A. Wood,
 Second Lieut. Thomas Phillips,
 Second Lieut. David H. Finley,
 Second Lieut. Robert S. F. Randolph,
 Second Lieut. Eli A. Barnes,
 Second Lieut. Richard F. Bailey,
 Second Lieut. Myron M. Andrews,
 Second Lieut. Richard S. Hevenor,
 Second Lieut. Albert E. Purchas, jr.,
 Second Lieut. Bryan G. Dancy,
 Second Lieut. Vinton L. James, jr.,
 Second Lieut. William F. Campbell,
 Second Lieut. Louis T. Bass,
 Second Lieut. Charles J. Carey,
 Second Lieut. Stuart Cutler,
 Second Lieut. Elbert G. Spencer,
 Second Lieut. John R. Boatwright,
 Second Lieut. Graeme K. Howard,
 Second Lieut. Lester N. Allyn,
 Second Lieut. Henry L. Barrett,
 Second Lieut. Howard W. Sears,
 Second Lieut. Raphael Semmes,
 Second Lieut. Robert E. McDonald,
 Second Lieut. Elmer R. Ames,
 Second Lieut. Thomas S. Morrison, jr.,
 Second Lieut. Raymond R. Tourtillott,
 Second Lieut. George A. Hadd,
 Second Lieut. Leo A. Dunbar,
 Second Lieut. James S. Candee,
 Second Lieut. Joseph P. Cromwell,
 Second Lieut. Harry M. Mayo, jr.,
 Second Lieut. Bernard P. Hoey,
 Second Lieut. Arleigh L. Willis,
 Second Lieut. Eustace P. Strout,
 Second Lieut. Wallace W. Parker,
 Second Lieut. Ray M. Hare,
 Second Lieut. Walter Francis Mullins,
 Second Lieut. Henry L. P. King,
 Second Lieut. Craig P. Cochrane,
 Second Lieut. Harry W. Koster,
 Second Lieut. Alfred J. McMullin,
 Second Lieut. Eugene E. Pratt,
 Second Lieut. Julien H. Needler,
 Second Lieut. Frank J. Knell,
 Second Lieut. Gerald L. Marsh,
 Second Lieut. William A. Wieland,
 Second Lieut. John Conrad Cattus,

Second Lieut. Edmond S. Donoho,
 Second Lieut. Donald N. Swain,
 Second Lieut. John F. Mead,
 Second Lieut. Charles McF. Petty,
 Second Lieut. Harold A. Black,
 Second Lieut. Robert J. McElroy,
 Second Lieut. George P. Seneff,
 Second Lieut. Harry C. Boehme,
 Second Lieut. Russell G. Ayers,
 Second Lieut. William A. Wappenstein,
 Second Lieut. Charles H. Owens,
 Second Lieut. Carter Collins,
 Second Lieut. Clarence E. Lovejoy,
 Second Lieut. William A. Gray, jr.,
 Second Lieut. Hays Matson,
 Second Lieut. George E. Abrams,
 Second Lieut. Clifton R. Breckinridge, jr.,
 Second Lieut. Charles McKnight, jr.,
 Second Lieut. Richard L. Tayloe,
 Second Lieut. Albert D. Foster,
 Second Lieut. Ralph Eberlin,
 Second Lieut. Edward T. Harrison,
 Second Lieut. Donald P. Spalding,
 Second Lieut. Ercil D. Porter,
 Second Lieut. Warner Harwood,
 Second Lieut. Clyde A. Fowler,
 Second Lieut. Laurence J. Potter,
 Second Lieut. Claude A. White,
 Second Lieut. Brayton Wilbur,
 Second Lieut. John F. Farnsworth,
 Second Lieut. Chester B. Blakeman,
 Second Lieut. Henry N. Bakken,
 Second Lieut. Archer L. Lerch,
 Second Lieut. Rodney S. Sprigg,
 Second Lieut. Milton W. Emmett,
 Second Lieut. John A. Pierce,
 Second Lieut. Wendell L. Clemenson,
 Second Lieut. Jonathan W. Edwards,
 Second Lieut. William H. Thomas,
 Second Lieut. Charles J. Deahl, jr.,
 Second Lieut. Frank M. Ogden,
 Second Lieut. Bruce F. Higginbotham,
 Second Lieut. William O. Owen,
 Second Lieut. Arcadi Gluckman,
 Second Lieut. Reginald D. Grout,
 Second Lieut. Dale M. Hoagland,
 Second Lieut. Charles A. Campbell, jr.,
 Second Lieut. Maurice W. Ocheltree,
 Second Lieut. Roy T. Rouse,
 Second Lieut. Ivan B. Snell,
 Second Lieut. Wendell Westover,
 Second Lieut. James W. Rice,
 Second Lieut. William Edgar,
 Second Lieut. Gustav H. Lamm,
 Second Lieut. James P. Gammon,
 Second Lieut. James A. Giacomini,
 Second Lieut. Henry K. White,
 Second Lieut. Alva W. Snyder,
 Second Lieut. Ralph P. Van Zile,
 Second Lieut. Talbott B. Fowler,
 Second Lieut. Matthew F. Garvey,
 Second Lieut. Samuel L. Metcalfe,
 Second Lieut. Frank W. Halsey,
 Second Lieut. Kirby Green,
 Second Lieut. Myron J. Conway,
 Second Lieut. Harold C. Reed,
 Second Lieut. Samuel H. Ladensohn,
 Second Lieut. Clyde A. Ames,
 Second Lieut. Irwin L. Lummis,
 Second Lieut. Joseph G. Babb,
 Second Lieut. Hollis B. Hoyt,
 Second Lieut. Clarence M. Collord,
 Second Lieut. Russell L. McKown,
 Second Lieut. Frederick W. Hackett,
 Second Lieut. Roy G. Rom,
 Second Lieut. Fred H. Reynolds,
 Second Lieut. Van C. Walton,
 Second Lieut. Matthew W. Steele,
 Second Lieut. Lawrence W. Marshall,
 Second Lieut. John A. Otto,
 Second Lieut. Joseph B. Sweet,
 Second Lieut. Walter D. Luplow,
 Second Lieut. John H. Helmer,
 Second Lieut. Sidney P. Howell,

Second Lieut. Henrick Antell,
 Second Lieut. John L. Weeks,
 Second Lieut. Arthur G. Levy,
 Second Lieut. Lewis R. Byington,
 Second Lieut. Cecil W. Borton,
 Second Lieut. Donald Timerman,
 Second Lieut. Harper A. Holt,
 Second Lieut. Leon L. Koltzue,
 Second Lieut. Leander I. Shelley,
 Second Lieut. Arvid P. Croonquist,
 Second Lieut. James E. Cole, jr.,
 Second Lieut. Roger Morton,
 Second Lieut. Gunther Orsinger,
 Second Lieut. Gregory A. Harrison,
 Second Lieut. Paul McC. Boston,
 Second Lieut. Elmer L. Mott,
 Second Lieut. Thomas R. Holmes,
 Second Lieut. Harold W. Batchelder,
 Second Lieut. Jay H. Cushman,
 Second Lieut. John P. Redwood,
 Second Lieut. Robert H. Engle,
 Second Lieut. Samuel Y. Dinkins,
 Second Lieut. Roscoe I. MacMillan,
 Second Lieut. Nicholas D. Woodward,
 Second Lieut. Henry R. Horak,
 Second Lieut. James F. Burke,
 Second Lieut. Henry C. Switzer,
 Second Lieut. William K. Dickson,
 Second Lieut. Clarence A. Martin,
 Second Lieut. Elmer J. Croft,
 Second Lieut. Mark G. Brislawn,
 Second Lieut. Edgar L. Noel,
 Second Lieut. Henning Linden,
 Second Lieut. Gerold E. Luebben,
 Second Lieut. Thomas W. Proctor,
 Second Lieut. Robert F. Kelley,
 Second Lieut. George J. Leftwich, jr.,
 Second Lieut. Neely Powers,
 Second Lieut. Harrison G. Reynolds,
 Second Lieut. Trevor W. Swett,
 Second Lieut. George Read, jr.,
 Second Lieut. James C. Clements,
 Second Lieut. Charles H. Jacobs,
 Second Lieut. Hanford MacNider,
 Second Lieut. Alexander D. Wilson,
 Second Lieut. Edward N. Wigton,
 Second Lieut. Eric F. Pihlgard,
 Second Lieut. Leslie N. Ross,
 Second Lieut. Arthur W. Mudge, jr.,
 Second Lieut. Thomas H. Nicholl,
 Second Lieut. James L. Hubbell,
 Second Lieut. Benjamin H. Decker,
 Second Lieut. Walter A. Dumas,
 Second Lieut. Edwin E. Keatley,
 Second Lieut. W. R. Barksdale Stevens,
 Second Lieut. Earle L. Hazzard,
 Second Lieut. Moses Taylor, jr.,
 Second Lieut. George H. McKee,
 Second Lieut. Lett W. Bissell,
 Second Lieut. William B. White,
 Second Lieut. George C. Parkhurst,
 Second Lieut. Luther W. Turner,
 Second Lieut. William H. Deyo,
 Second Lieut. Francis W. Dunn,
 Second Lieut. Don M. Scott,
 Second Lieut. Allen W. Cook,
 Second Lieut. Robert E. Wysor, jr.,
 Second Lieut. Robert Dechert,
 Second Lieut. James E. Wharton,
 Second Lieut. William O. Wyckoff,
 Second Lieut. Carleton Smith,
 Second Lieut. Paul C. Gripper,
 Second Lieut. Martin D. Barndollar, jr.,
 Second Lieut. Raymond C. Alley,
 Second Lieut. Francis C. Lewis,
 Second Lieut. Lewis Simons,
 Second Lieut. James H. Day,
 Second Lieut. James M. Austin,
 Second Lieut. Albert W. Vinal,
 Second Lieut. Paul G. Corker,
 Second Lieut. Hiram Russell Ide,
 Second Lieut. James A. Rogers,
 Second Lieut. Randolph R. Brown,
 Second Lieut. Leon R. Mead,
 Second Lieut. Harold C. Conick,

Second Lieut. Loren A. Wetherby,
 Second Lieut. James J. Coghlan,
 Second Lieut. Samuel H. Cross,
 Second Lieut. Carl U. Luers,
 Second Lieut. Bernard B. McMahon,
 Second Lieut. Carlton Banigan,
 Second Lieut. Winchester Kelso, jr.,
 Second Lieut. George E. Fingarson,
 Second Lieut. Leaver Richardson,
 Second Lieut. Lawrence M. York,
 Second Lieut. James F. Lilley,
 Second Lieut. Elwood M. S. Steward,
 Second Lieut. Herbert L. Scales,
 Second Lieut. Ernest Albert Rudelius,
 Second Lieut. Joseph W. Emery, jr.,
 Second Lieut. William L. Blanton,
 Second Lieut. Harold E. Sturcken,
 Second Lieut. Milton Petersen,
 Second Lieut. Gillette Hill,
 Second Lieut. Stuart M. Pirth,
 Second Lieut. Porter P. Wiggins,
 Second Lieut. Eugene W. Markey,
 Second Lieut. Barnard Pierce,
 Second Lieut. Robert A. Cochran,
 Second Lieut. Proctor Calvin Gilson,
 Second Lieut. Paul B. Matlock,
 Second Lieut. Charles W. Nevin, 2d,
 Second Lieut. William L. Kleitz,
 Second Lieut. Orville W. Harris,
 Second Lieut. Stanley Raymond Putnam,
 Second Lieut. Harold D. Comey,
 Second Lieut. John T. Zellars,
 Second Lieut. Alexander C. Dick,
 Second Lieut. Richard A. McClure,
 Second Lieut. Robert K. Massie, jr.,
 Second Lieut. Twomey M. Clifford,
 Second Lieut. Harry A. Welsch, jr.,
 Second Lieut. Tranny L. Gaddy,
 Second Lieut. Dennis J. O'Toole,
 Second Lieut. Melvin H. Leonard,
 Second Lieut. Ben C. Marable,
 Second Lieut. Arthur A. Weiskopf,
 Second Lieut. Francis O. Noble,
 Second Lieut. John A. Ballard,
 Second Lieut. Harry H. Martin,
 Second Lieut. Herbert T. Perrin,
 Second Lieut. Arthur W. Pope, jr.,
 Second Lieut. Joseph B. Conny,
 Second Lieut. Emons B. Whisner,
 Second Lieut. George W. Griner, jr.,
 Second Lieut. Hugh T. Mayberry,
 Second Lieut. Charles D. Pearce, jr.,
 Second Lieut. Edward D. McDougall, jr.,
 Second Lieut. Phillip W. Lowry,
 Second Lieut. Charles P. Winsor,
 Second Lieut. John Doble,
 Second Lieut. Moses McK. Darst,
 Second Lieut. Robert R. Smith,
 Second Lieut. Evan C. Dresser,
 Second Lieut. James G. Carr,
 Second Lieut. Daniel E. Farr, and
 Second Lieut. Chester McN. Woolworth.

COAST ARTILLERY CORPS.

To be first lieutenants.

Second Lieut. David C. Kelly,
 Second Lieut. Edward F. Chase,
 Second Lieut. Robert A. Wheeler,
 Second Lieut. Catesby ap L. Jones,
 Second Lieut. William W. Savage,
 Second Lieut. Charles J. Schaefer, jr.,
 Second Lieut. LeRoy A. Whittaker,
 Second Lieut. Harold W. Kramer,
 Second Lieut. Harold P. Detwiler,
 Second Lieut. Clarence F. Hofstetter,
 Second Lieut. John J. Vandenburg,
 Second Lieut. Paul S. Roper,
 Second Lieut. John S. Beck,
 Second Lieut. Clarence G. DeSwarte,
 Second Lieut. Bradley B. Brown,
 Second Lieut. Mahlon A. Combs,
 Second Lieut. Leslie A. Kibbe,
 Second Lieut. Lawrence L. Clayton,
 Second Lieut. Sanford D. Ashford,
 Second Lieut. William Mayer,

Second Lieut. James L. Craig,
 Second Lieut. Glenn H. Stough,
 Second Lieut. Charles E. Loucks,
 Second Lieut. Edmund B. Tazewell,
 Second Lieut. Hugh M. Cochran,
 Second Lieut. Bruce W. Thayer,
 Second Lieut. Arthur C. Cox,
 Second Lieut. Paul J. Hunt,
 Second Lieut. Chauncey K. Smullen,
 Second Lieut. Moses W. Pettigrew,
 Second Lieut. Harold H. Hilton,
 Second Lieut. Walter F. Kraus,
 Second Lieut. Milton M. Levy,
 Second Lieut. D. Marshall Taylor,
 Second Lieut. Samson H. Rosenblatt,
 Second Lieut. Hugh N. Mavor,
 Second Lieut. George A. Woody,
 Second Lieut. Maurice R. Gowing,
 Second Lieut. Geoffrey M. O'Connell,
 Second Lieut. Lloyd W. Goepfert,
 Second Lieut. Frank R. Rawson,
 Second Lieut. Francis Bell, jr.,
 Second Lieut. Harrison G. Overend,
 Second Lieut. Arthur W. Gower,
 Second Lieut. Guy C. Smith,
 Second Lieut. Otis C. Moore,
 Second Lieut. George C. Tinsley,
 Second Lieut. Arthur F. Gilmore,
 Second Lieut. Thomas B. Hobson,
 Second Lieut. John T. Lewis,
 Second Lieut. Walter A. Upham,
 Second Lieut. Julian D. Conover,
 Second Lieut. Ralph A. Grant,
 Second Lieut. Alvah P. R. Conklin,
 Second Lieut. William Q. Jeffords, jr.,
 Second Lieut. Frederick W. Gilchrist,
 Second Lieut. Samuel L. McCroskey,
 Second Lieut. George A. Patrick,
 Second Lieut. Horace H. Powers,
 Second Lieut. Walter C. Thee,
 Second Lieut. Gwynne C. McCaustland,
 Second Lieut. Wayne E. Davis,
 Second Lieut. Oliver B. Bucher,
 Second Lieut. Edgar W. King,
 Second Lieut. John W. Dillard,
 Second Lieut. Jesse K. Mattox,
 Second Lieut. Wallace E. Armstrong,
 Second Lieut. Riley E. McGarraugh,
 Second Lieut. Fletcher H. Etheridge,
 Second Lieut. David Beale,
 Second Lieut. Charles T. Trickey,
 Second Lieut. Allan P. Bruner,
 Second Lieut. Edwin M. McGinnis,
 Second Lieut. Francis S. Sweet,
 Second Lieut. Arch C. Huston,
 Second Lieut. Ulric J. Mengert,
 Second Lieut. Hugo Dalsheimer,
 Second Lieut. Richard W. Coward,
 Second Lieut. Edward T. Browne,
 Second Lieut. John O. Merrill,
 Second Lieut. Horace C. Levinson,
 Second Lieut. Percival S. Howe, jr.,
 Second Lieut. Miles W. Kresge,
 Second Lieut. Edwin S. Roscoe,
 Second Lieut. George W. Ricker,
 Second Lieut. Edward S. Fraser,
 Second Lieut. Milton W. Pollock,
 Second Lieut. Sumner T. Pike,
 Second Lieut. Sealand W. Landon, jr.,
 Second Lieut. Harold Connett,
 Second Lieut. Leslie Clyde,
 Second Lieut. John M. Silkman,
 Second Lieut. John S. Jenkins, jr.,
 Second Lieut. Stanley R. Mickelsen,
 Second Lieut. William LeRoy Hart,
 Second Lieut. Lawrence B. Morse,
 Second Lieut. George P. Lee,
 Second Lieut. Ralph E. Glasheen,
 Second Lieut. Earnest J. Oglesby,
 Second Lieut. Eugene M. Vigneron,
 Second Lieut. Carroll G. Riggs,
 Second Lieut. Henry C. Meredith,
 Second Lieut. Dana L. Barbour,
 Second Lieut. Ralph Beatley,

Second Lieut. Max W. Thornburg,
 Second Lieut. George W. Farnham,
 Second Lieut. Richard M. Kimball,
 Second Lieut. Edwin F. Barry,
 Second Lieut. Eugene S. Taliaferro,
 Second Lieut. Robert A. Clyde,
 Second Lieut. Andrew F. Patterson,
 Second Lieut. Forrest G. Tucker,
 Second Lieut. Howard T. Evans,
 Second Lieut. Spessard L. Holland,
 Second Lieut. William P. E. Ainsworth,
 Second Lieut. Herbert F. E. Bultman,
 Second Lieut. Donald F. McClure,
 Second Lieut. Wilton B. Persons,
 Second Lieut. Homer Case,
 Second Lieut. Edward P. Sykes,
 Second Lieut. John V. Ray,
 Second Lieut. Burleigh A. Lum,
 Second Lieut. Wilbur S. Vaughan,
 Second Lieut. Reginald S. Fleet,
 Second Lieut. Roland D. Hawkins,
 Second Lieut. Melzar M. Whittlesley,
 Second Lieut. Roscoe P. De Witt,
 Second Lieut. John G. Murphy,
 Second Lieut. Walter J. Collet,
 Second Lieut. Joe J. Miller,
 Second Lieut. John Van A. Mackenzie,
 Second Lieut. Frank J. McSherry,
 Second Lieut. George F. A. Mulcahy,
 Second Lieut. Charles S. Hammond,
 Second Lieut. William B. Jones,
 Second Lieut. Cornelius S. Whittelsey,
 Second Lieut. Carleton, E. Saecker,
 Second Lieut. Robert B. Adams,
 Second Lieut. Clarence C. Harshman,
 Second Lieut. Lewis J. Taylor,
 Second Lieut. Pennock H. Orr,
 Second Lieut. John K. Christmas,
 Second Lieut. James M. Harris,
 Second Lieut. Walter B. Littlefield,
 Second Lieut. Philip H. Middleditch,
 Second Lieut. Wilfrid W. Montagne,
 Second Lieut. Donald B. Webster,
 Second Lieut. George B. Roberts,
 Second Lieut. Frank E. O'Neill,
 Second Lieut. Banks G. Moreland,
 Second Lieut. Monroe Warren,
 Second Lieut. James M. Ralston,
 Second Lieut. Ransom D. Spann,
 Second Lieut. Donald G. Crowell,
 Second Lieut. Arthur C. Hawkins,
 Second Lieut. Otto de Lorenzi,
 Second Lieut. Richard M. Kew,
 Second Lieut. Alexander G. Campbell,
 Second Lieut. Ernest R. Campbell,
 Second Lieut. Joseph G. Pringle,
 Second Lieut. John W. Card,
 Second Lieut. Jack Phinizy,
 Second Lieut. Manly B. Gibson,
 Second Lieut. Charles H. Hagelstein,
 Second Lieut. Huntington R. Hardwick,
 Second Lieut. Robert C. Jordon, jr.,
 Second Lieut. Malcolm S. Cone,
 Second Lieut. Alvah E. Moody,
 Second Lieut. Robert K. Gooch,
 Second Lieut. Oliver N. Hollis,
 Second Lieut. Cranston B. Rader,
 Second Lieut. Cedric E. Scheerer, and
 Second Lieut. Geoffrey Marshall.

PROMOTIONS IN THE ARMY.

INFANTRY.

To be first lieutenants.

Second Lieut. Joseph I. Cohen,
 Second Lieut. Henry A. Barber, jr.,
 Second Lieut. Robert A. Willard,
 Second Lieut. John M. Erwin,
 Second Lieut. William B. Carswell, jr.,
 Second Lieut. Wilson G. Bingham,
 Second Lieut. Charles C. Bartley,
 Second Lieut. Robert MacD. Graham,
 Second Lieut. Rudolph F. Whitelegg,
 Second Lieut. Loyd Van H. Durfee,
 Second Lieut. John H. Norton,

Second Lieut. William W. Paca,
 Second Lieut. John T. B. Bissell,
 Second Lieut. Charles A. Mahoney,
 Second Lieut. George S. Eyster,
 Second Lieut. Henry R. Anderson,
 Second Lieut. William McC. Chapman,
 Second Lieut. Kenneth P. Murray,
 Second Lieut. Roger W. Stenbridge,
 Second Lieut. Norman McNeill,
 Second Lieut. Glen H. Anderson,
 Second Lieut. Bryant E. Moore,
 Second Lieut. Leo V. Warner,
 Second Lieut. Howard A. Deas,
 Second Lieut. Henry W. Bobrink,
 Second Lieut. Onslow S. Rolfe,
 Second Lieut. Louis A. Freeman,
 Second Lieut. Henry P. Gantt,
 Second Lieut. Jesse B. Matlack,
 Second Lieut. Julius E. Schaefer,
 Second Lieut. Theodore D. Schmidt,
 Second Lieut. Parry W. Lewis,
 Second Lieut. Edward W. Timberlake,
 Second Lieut. Vincent N. Taylor,
 Second Lieut. William W. Jenna,
 Second Lieut. William R. Fleming,
 Second Lieut. Paul W. Cole,
 Second Lieut. Francis P. Simpson,
 Second Lieut. Harry C. Barnes, jr.,
 Second Lieut. Robert J. Hoffman,
 Second Lieut. Clare W. Woodward,
 Second Lieut. John S. Mallory,
 Second Lieut. Frederick D. Sharp,
 Second Lieut. William S. Barrett,
 Second Lieut. Paul R. Goode,
 Second Lieut. Harry N. Rising,
 Second Lieut. Josephus B. Wilson,
 Second Lieut. Henry C. Demuth,
 Second Lieut. Lowell M. Riley,
 Second Lieut. Edwin C. Maling,
 Second Lieut. George D. Watts,
 Second Lieut. Emil Krause,
 Second Lieut. Robert L. Bacon,
 Second Lieut. Walker G. White,
 Second Lieut. Earle E. Sarcka,
 Second Lieut. Edwin J. House,
 Second Lieut. Arthur C. Purvis,
 Second Lieut. James J. Hea,
 Second Lieut. Edgar B. Moomau,
 Second Lieut. Frank S. Long,
 Second Lieut. Carlisle B. Wilson,
 Second Lieut. William E. Whittington,
 Second Lieut. Harold L. Milan,
 Second Lieut. Robert A. Bringham,
 Second Lieut. Horace Harding,
 Second Lieut. Earle A. Billings, and
 Second Lieut. Royal H. Place.

COAST ARTILLERY CORPS.

To be first lieutenants.

Second Lieut. Dean I. Piper,
 Second Lieut. Otto M. Jank,
 Second Lieut. Herman U. Wagner,
 Second Lieut. Philip S. Day,
 Second Lieut. George W. Hirsch,
 Second Lieut. Forrest C. Shaffer,
 Second Lieut. William R. Deeble, jr.,
 Second Lieut. Frank F. Reed,
 Second Lieut. John W. Coffey,
 Second Lieut. Frank C. Meade,
 Second Lieut. Lawrence Dwight,
 Second Lieut. Everett T. Brown,
 Second Lieut. Clyde H. Morgenthaler,
 Second Lieut. Willard M. Hall,
 Second Lieut. Tracy C. Dickson, jr.,
 Second Lieut. Robert W. Hasbrouck,
 Second Lieut. Howard P. Faust,
 Second Lieut. John T. de Camp,
 Second Lieut. Wallace D. Collins,
 Second Lieut. Sargent P. Huff,
 Second Lieut. William H. Donaldson, jr.,
 Second Lieut. Henry M. Black,
 Second Lieut. Willard D. Murphy,
 Second Lieut. Council B. Palmer, and
 Second Lieut. John C. Hawkins.

TEMPORARY PROMOTIONS IN THE ARMY.

INFANTRY ARM.

To be colonels.

Lieut. Col. Paul Giddings,
 Lieut. Col. Edward S. Walton,
 Lieut. Col. Alfred T. Smith,
 Lieut. Col. Ira L. Reeves,
 Lieut. Col. Fred L. Munson,
 Lieut. Col. Thomas M. Anderson, jr.,
 Lieut. Col. John E. Hunt,
 Lieut. Col. Claude H. Miller, and
 Lieut. Col. Harold B. Fiske.

To be lieutenant colonels.

Maj. Edwin J. Nowlen,
 Maj. Raymond Sheldon,
 Maj. Edwin J. Bracken,
 Maj. George W. England,
 Maj. Clyde B. Parker,
 Maj. Alvin C. Voris,
 Maj. Frank R. Curtis,
 Maj. Fred L. Davison,
 Maj. George E. Kumpe,
 Maj. Milo C. Corey,
 Maj. Arthur M. Ferguson,
 Maj. De Witt W. Chamberlin,
 Maj. Walter H. Johnson,
 Maj. Robert G. Rutherford, jr.,
 Maj. Robert E. Grinstead,
 Maj. Albert S. Williams,
 Maj. William B. Graham,
 Maj. Charles J. Nelson,
 Maj. E. Alexis Jeunet,
 Maj. Charles H. Danforth,
 Maj. Gideon H. Williams,
 Maj. Leonard T. Baker,
 Maj. Charles S. Frank,
 Maj. Franklin S. Leisenring,
 Maj. Charles F. Andrews,
 Maj. Allan L. Briggs,
 Maj. James M. Petty,
 Maj. John B. Shuman,
 Maj. Charles G. Lawrence,
 Maj. Frederic G. Kellond,
 Maj. William P. Kitts,
 Maj. Walter Harvey,
 Maj. Frank B. Davis,
 Maj. Harry D. Mitchell,
 Maj. Ode C. Nichols, and
 Maj. Kirwin T. Smith.

To be majors.

Capt. Joseph E. Barzynski,
 Capt. Ben W. Feild,
 Capt. Bloxham Ward,
 Capt. Paul H. Clark,
 Capt. Thomas H. Lowe,
 Capt. James W. H. Reisinger, jr.,
 Capt. Rupert A. Dunford,
 Capt. Charles C. Bankhead,
 Capt. John P. Adams,
 Capt. Ira Longanecker,
 Capt. William C. Whitener,
 Capt. Frederick J. Ostermann,
 Capt. William J. Connolly,
 Capt. Everett D. Barlow, jr.,
 Capt. Lawrence E. Hohl,
 Capt. James G. Boswell,
 Capt. Arthur D. Minick,
 Capt. Paul R. Manchester,
 Capt. Byard Sneed,
 Capt. Oscar Westover,
 Capt. Martyn H. Shute,
 Capt. Fred A. Cook,
 Capt. George G. Bartlett,
 Capt. Henry B. Clagett,
 Capt. Richard H. Jacob,
 Capt. Ralph A. Jones,
 Capt. Hugo D. Schultz,
 Capt. Jacob E. Fickel,
 Capt. Jesse W. Boyd,
 Capt. Ebenezer G. Beuret,
 Capt. Rush B. Lincoln,
 Capt. Walter F. L. Hartigan,

Capt. Bruce Magruder,
 Capt. George H. Huddleson,
 Capt. George C. Keleher,
 Capt. Harry H. Pritchett,
 Capt. Edgar L. Field,
 Capt. Earl C. Buck,
 Capt. Jere Baxter,
 Capt. A. Ellicott Brown,
 Capt. James M. Lockett,
 Capt. Eugene Robinson,
 Capt. Jesse C. Drain,
 Capt. Alexander W. Chilton,
 Capt. William E. Morrison,
 Capt. Donald J. MacLachlan,
 Capt. Charles H. Rice,
 Capt. Irving J. Palmer,
 Capt. Melvin G. Faris,
 Capt. Alexander W. Maish,
 Capt. William J. McCaughey,
 Capt. Eugene R. Householder,
 Capt. Eugene Santschi, jr.,
 Capt. William A. Ganoë,
 Capt. Elmer F. Rice,
 Capt. Benjamin F. Castle,
 Capt. John W. Lang,
 Capt. George T. Everett,
 Capt. Henry H. Arnold,
 Capt. Walter R. Wheeler,
 Capt. Barton K. Yount,
 Capt. Denham B. Crafton,
 Capt. William E. Selbie,
 Capt. John L. Jenkins,
 Capt. Charles H. White,
 Capt. Alvin G. Gutensohn,
 Capt. Stanley L. James,
 Capt. John S. Sullivan,
 Capt. Bruce B. Buttler,
 Capt. Evan E. Lewis,
 Capt. Paul A. Larned,
 Capt. James H. Laubach,
 Capt. George R. Harrison,
 Capt. Ralph W. Dusenbury,
 Capt. Thomas C. Spencer,
 Capt. Fauntley M. Miller,
 Capt. Ray C. Hill,
 Capt. Patrick J. Morrissey,
 Capt. Thomas M. R. Herron, and
 Capt. John D. Reardan.

CORPS OF ENGINEERS.

To be lieutenant colonels.

Maj. Lewis H. Rand,
 Maj. Edward M. Markham,
 Maj. Thomas H. Jackson,
 Maj. George B. Pillsbury,
 Maj. Gustave R. Lukesh,
 Maj. John R. Slattery,
 Maj. Albert E. Waldron,
 Maj. Francis A. Pope,
 Maj. Gilbert A. Youngberg,
 Maj. Edward N. Johnston,
 Maj. Clarence O. Sherrill,
 Maj. Ernest D. Peck,
 Maj. George R. Spalding,
 Maj. Elliott J. Dent,
 Maj. William P. Stokely,
 Maj. Wildurr Willing,
 Maj. William A. Mitchell,
 Maj. Mark Brooke,
 Maj. Laurence V. Frazier,
 Maj. Harold C. Fiske,
 Maj. Max C. Tyler,
 Maj. Ulysses S. Grant, 3d,
 Maj. William H. Rose,
 Maj. Lewis M. Adams,
 Maj. William D'A. Anderson,
 Maj. Joseph H. Earle,
 Maj. Thomas M. Robins,
 Maj. Roger D. Black,
 Maj. Theodore H. Dillon,
 Maj. De Witt C. Jones,
 Maj. Ernest Graves,
 Maj. Francis B. Wilby,
 Maj. Clarence S. Ridley,

Maj. Alvin B. Barber,
 Maj. Roger G. Powell,
 Maj. John N. Hodges,
 Maj. James J. Loving,
 Maj. Edward D. Ardery,
 Maj. James G. Steese,
 Maj. Roger G. Alexander,
 Maj. James A. O'Connor,
 Maj. Lewis H. Watkins,
 Maj. Gilbert E. Humphrey,
 Maj. Richard Park,
 Maj. Daniel I. Sultan, and
 Maj. Glen E. Edgerton.

To be majors.

Capt. Clarence L. Sturdevant,
 Capt. Earl J. Atkisson,
 Capt. Richard T. Coiner,
 Capt. Robert S. A. Dougherty,
 Capt. Stuart C. Godfrey,
 Capt. Francis C. Harrington,
 Capt. Cleveland C. Gee,
 Capt. John M. Wright,
 Capt. John R. D. Matheson,
 Capt. William H. Sage, jr.,
 Capt. Charles J. Taylor,
 Capt. Edwin H. Marks,
 Capt. Earl North,
 Capt. Albert H. Acher,
 Capt. Gilbert Van B. Wilkes,
 Capt. John C. H. Lee,
 Capt. Frank S. Besson,
 Capt. Lindsay C. Herkness,
 Capt. Albert K. B. Lyman,
 Capt. Frederick S. Strong, jr.,
 Capt. Daniel D. Pullen,
 Capt. Carey H. Brown,
 Capt. Oscar N. Solbert,
 Capt. Beverly C. Dunn,
 Capt. Donald H. Connolly,
 Capt. Raymond F. Fowler,
 Capt. David McCoach, jr.,
 Capt. James G. B. Lampert,
 Capt. Philip B. Fleming,
 Capt. John W. Stewart,
 Capt. Joseph C. Mehaffey,
 Capt. Paul S. Reinecke,
 Capt. Raymond A. Wheeler,
 Capt. W. Morris Chubb,
 Capt. Howard S. Bennion,
 Capt. William C. Sherman,
 Capt. Rudolph C. Kuldell,
 Capt. Roscoe C. Crawford,
 Capt. Earl G. Paules,
 Capt. Bradford G. Chynoweth,
 Capt. Milo P. Fox,
 Capt. John C. Gotwals,
 Capt. Francis K. Newcomer,
 Capt. Charles F. Williams,
 Capt. Gordon R. Young,
 Capt. Richard U. Nicholas,
 Capt. James A. Dorst,
 Capt. Rufus W. Putnam,
 Capt. Lunsford E. Oliver,
 Capt. William H. Holcombe,
 Capt. James B. Cress,
 Capt. Charles P. Gross,
 Capt. Bernard A. Miller,
 Capt. Peter C. Bullard,
 Capt. Brehon B. Somervell,
 Capt. Xenophon H. Price,
 Capt. Robert W. Crawford,
 Capt. Frederick S. Skinner,
 Capt. Dabney O. Elliott,
 Capt. Allen P. Cowgill,
 Capt. George F. Lewis,
 Capt. Harrison Brand, jr.,
 Capt. Frederick W. Herman,
 Capt. John H. Carruth,
 Capt. Oscar O. Kuentz,
 Capt. William E. R. Covell,
 Capt. Edwin R. Kimble,
 Capt. Joseph D. Arthur, jr., and
 Capt. Ernest F. Miller.

COAST ARTILLERY CORPS.
To be lieutenant colonels.

Maj. Malcolm Young,
Maj. Laurence C. Brown,
Maj. Harry L. Steele,
Maj. Thomas F. Dwyer,
Maj. James B. Mitchell,
Maj. Alfred S. Morgan,
Maj. Charles H. Hilton,
Maj. Edward L. Glasgow,
Maj. Percy Willis,
Maj. William F. Stewart, jr.,
Maj. Joseph B. Douglas,
Maj. Hudson T. Patten,
Maj. Edward Kimmel,
Maj. John A. Procter,
Maj. John B. Christian,
Maj. Frederick W. Phisterer,
Maj. Robert H. C. Kelton,
Maj. Percy P. Bishop,
Maj. Henry J. Hatch,
Maj. Elmer J. Wallace,
Maj. William F. Hase,
Maj. William R. Doores,
Maj. James F. Howell,
Maj. Jesse C. Nicholls,
Maj. Henry W. Schull,
Maj. Clifton C. Carter,
Maj. Stanley D. Embick,
Maj. William H. Monroe,
Maj. Leonard D. Waldron,
Maj. Ernest A. Greenough,
Maj. Alexander Greig, jr.,
Maj. James A. Ruggles,
Maj. Terence E. Murphy,
Maj. Harry W. Newton,
Maj. Allen D. Raymond,
Maj. James R. Pourie,
Maj. John L. Hughes,
Maj. John W. C. Abbott,
Maj. Harry T. Matthews,
Maj. Harry C. Barnes,
Maj. Stephen H. Mould,
Maj. Louis S. Chappellear,
Maj. Granville Sevier,
Maj. Robert F. Woods,
Maj. Albert C. Thompson,
Maj. Elison L. Gilmer,
Maj. John McBride, jr.,
Maj. Richard K. Cravens,
Maj. George O. Hubbard,
Maj. James M. Wheeler,
Maj. Harrison S. Kerrick,
Maj. Frank J. Miller,
Maj. Philip S. Golderman,
Maj. Charles L. Lanham,
Maj. George F. Connolly,
Maj. John S. Johnston,
Maj. Joseph S. Hardin,
Maj. Louis E. Bennett,
Maj. George L. Hicks, jr., and
Maj. Lynn S. Edwards.

FIELD ARTILLERY ARM;

To be colonels.

Lieut. Col. Clarence N. Jones,
Lieut. Col. Frederick B. Hennessy,
Lieut. Col. Laurin L. Lawson, and
Lieut. Col. John W. Kilbreth, jr.

To be lieutenant colonels.

Maj. Walter S. Sturgill,
Maj. Sherman Miles,
Maj. Cortlandt Parker,
Maj. Richard C. Burleson,
Maj. Joseph R. Davis, and
Maj. John R. Starkey.

To be majors.

Capt. Horace H. Fuller,
Capt. John M. McDowell,
Capt. Raymond E. Lee,
Capt. Jason McV. Austin,
Capt. Belton O'N. Kennedy,
Capt. Burton O. Lewis,

Capt. Herbert R. Odell, and
Capt. Clyde A. Selleck.

To be captains.

First Lieut. Bertram N. Rock,
First Lieut. Alexander S. Quintard,
First Lieut. Marcus A. S. Ming,
First Lieut. Lewis E. Goodrich,
First Lieut. Victor R. Woodruff,
First Lieut. Robert W. Yates, and
First Lieut. Dan C. Schmahl.

PROMOTIONS AND APPOINTMENTS IN THE NAVY.

The following-named lieutenant commanders to be commanders:

William R. Sayles, jr., and
Charles R. Train.

Lieut. Edgar G. Oberlin to be a lieutenant commander.

The following-named lieutenants (junior grade) to be lieutenants:

Karl F. Smith,
Willis A. Lee, jr., and
Edwin Guthrie.

Medical Inspector Charles P. Kindleberger to be a medical director with the rank of captain.

The following-named medical inspectors to be medical directors with the rank of captain:

Arthur W. Dunbar and
Theodore W. Richards.

Surg. Joseph C. Thompson to be a medical inspector with the rank of commander.

Surg. Karl Ohnesorg to be a medical inspector with the rank of commander.

Surg. Frederick W. S. Dean to be a medical inspector with the rank of commander.

The following-named passed assistant surgeons to be surgeons with the rank of lieutenant commander:

William H. Short,
Herbert L. Kelley, and
Julian T. Miller.

The following-named surgeons to be medical inspectors with the rank of commander, for temporary service:

Clarence F. Ely,
Albert J. Geiger,
Perceval S. Rossiter,
Charles C. Grieve, and
John D. Manchester.

The following-named officers to be lieutenant commanders for temporary service:

Howard H. Crosby,
George E. Brandt,
William C. Owen,
Francis T. Chew,
Francis Cogswell,
James McC. Irish,
John B. Staley,
Charles H. Davis, jr.,
Paul E. Speicher,
Arthur S. Carpender,
John L. Kauffman,
Robert A. Burg,
William D. Brereton, jr.,
Harrison E. Knauss,
William R. Munroe,
Schamyl Cochran,
Albert M. Penn,
William F. Gresham,
Robert O. Baush,
Paul H. Bastedo,
John C. Hilliard,
Philip Seymour,
Frank R. Berg,
Andrew D. Denney,
Charles M. Yates,
Stuart O. Greig,
James C. Van de Carr,
John C. Cunningham,
Jabez S. Lowell,
John F. Shafroth, jr.,
Karl F. Smith,
Ernest W. McKee,
Dallas C. Laizure,
Jules James,
John F. McClain,
John R. Beardall,
Archibald H. Douglas,

Rufus King,
Timothy J. Keleher,
Howard B. Meclary, and
Willis A. Lee, jr.

The following-named officers to be lieutenants for temporary service:

Leon S. Fiske,
Earl M. Major,
William F. Loventhal,
Paul R. Glutting,
Harold M. Horne,
Walter E. Borden, jr.,
Arthur T. Emerson,
Arthur C. Geisenhoff,
Grover C. Klein,
William F. Boyer,
Bartley G. Furey,
Willard A. Kitts, 3d,
Bertram J. Rodgers,
Carroll W. Hamill,
Clinton H. Havill,
Lew W. Bagby,
Byron S. Dague,
Lyman K. Swenson,
Frank E. Beatty, jr.,
Gall Morgan,
Woodbury E. Mackay,
Gilbert F. Bunnell,
Thorwald A. Solberg,
Clifford H. Roper,
Edward P. Sauer,
Augustus J. Selman,
John H. Carson,
Milton O. Carlson,
Robert B. Carney,
Arthur W. Radford,
George F. Martin,
John A. Vincent,
Bernard F. Jenkins,
Boyd R. Alexander,
Edward L. Ericsson,
Frederick B. Craven,
Richard R. Claghorn,
Edwin S. Earnhardt,
John M. Bloom,
John E. Williams,
Jesse L. Kenworthy, jr.,
Webster M. Thompson,
Albert E. Schrader,
Louis R. Vail,
William R. Casey,
Paul S. Goen,
Archibald E. Fraser,
Harry V. Baugh,
Dennis L. Ryan,
Andrew DeG. Mayer,
Arnold H. Bateman,
Charles G. Halpine,
Charles T. Joy,
John S. Watters, jr.,
Alva J. Moore,
Walter W. Webb,
Nelson N. Gates,
Henry L. Phelps,
Benjamin R. Holcombe,
Archer W. Webb,
Charles G. Berwind,
John E. Reinburg,
William L. Keady,
John A. Terhune,
Charles J. Wheeler,
Theodore T. Patterson,
John A. Sternberg,
George P. Brewster,
Samuel P. Ginder,
Henry B. Broadfoot,
Van H. Ragsdale,
John Wilkes,
Robert J. Walker,
Robert B. Twining,
Homer L. Grouskopf,
William P. Bacon,
Henry N. Fallon,
Wilbur W. Feineman,
Maxwell Cole,

Bruce P. Flood,
Henry J. White,
Oscar W. Erickson,
Gilbert W. Sumners,
Henry C. Merwin,
Fred D. Kirtland,
James M. Steele,
Arthur D. Burhans,
Casper K. Blackburn,
Amos B. Root,
Thomas D. Warner,
Paul W. Rutledge,
T. De Witt Carr,
Albert M. Rhudy, and
Charles P. Cecil.

The following-named officers to be lieutenants (junior grade) for temporary service:

Michael Higgins,
George Crofton,
William J. Creelman,
Herbert E. Fish,
Walter S. Falk,
Barnett B. Bowie,
James J. Cullen,
John P. Richter,
John R. Burkhardt,
John R. Likens,
Charles Franz,
Frank O. Wells,
Thomas W. Smith,
Bernhard Christensen,
Raymond L. Drake,
Henry Lobitz,
John Danner,
James F. Hopkins,
Charles Schonborg,
Walter J. Wortman,
Alexander Stuart,
William Derrington,
Frank D. Blakely,
James F. McCarthy,
Frederick T. Montgomery,
Harry Adams,
Henry Rieck,
John Sperle, jr.,
Constantine Clay,
Roderick M. O'Connor,
William Herzberg,
Jarrard E. Jones,
Zenas A. Sherwin,
Paul R. Fox,
Otto Boldt,
John B. Martin,
Arthur H. Hawley,
David W. Harry,
Charles S. Wolf,
George R. C. Thompson,
Olav Johnson,
Ole P. Oraker,
Byron C. Howard,
William S. White,
Francis G. Randall,
Franz J. M. Parduhn,
Henry I. Edwards,
Christopher Murray,
John P. Judge,
John C. Linberg,
Birney O. Halliwill,
Albert Seeckts,
William C. Bean,
James A. Martin,
William H. Dayton,
Edward W. Furey,
Arthur W. Bird,
Willis Dixon,
Charles Allen,
Adolph Peterson,
William E. O'Connell,
Harry T. Johnson,
Harry N. Huxford,
Thomas James,
William Fremgen,
Daniel W. Nelson,
Joseph H. Aigner,
Clarence D. Holland,

Frederick T. Lense,
Axel V. Kettels,
John W. Merget,
Albert A. Hooper,
Harry Champeno,
George R. Veed,
Niels A. Johnsen,
Isidor Nordstrom,
Charles H. Foster,
James H. Bell,
John J. Clausey,
Charles H. Anderson,
Edward S. Tucker,
Charles Dunne,
George J. Lovett,
Walter Collins,
Frederick W. Teepe,
Edwin W. Abel,
Albert C. Byrne,
George L. Russell,
Orrin R. Hewitt,
Otto T. Purcell,
William R. Gardner,
Joseph R. Bradshaw,
George W. Fairfield,
William M. Miller,
Joseph C. Stein,
Louis F. Miller,
Robert M. Huggard,
Paul B. Cozine,
Earl F. Holmes,
John Atley,
Gregory Cullen,
Bertram David,
George Knott,
Thomas Macklin,
Richard O. Williams,
Michael Macdonald,
Charles S. Schepke,
George D. Samonski,
William O. King,
James E. Orton,
William Cronan,
Charles L. Bridges,
Arthur Langfield,
Albert Klingler,
John Ronan,
William Seach,
William T. McNiff,
Meade H. Eldridge,
Ernest R. Piercey,
William R. Buechner,
Bernhard Schumacher, and
Benjamin F. Singles.

Lieut. Maurice R. Pierce to be a lieutenant commander for temporary service.

Lieut. Charles L. Best to be a lieutenant commander for temporary service.

Lieut. (Junior Grade) Calvin T. Durgin to be lieutenant for temporary service.

Lieut. (Junior Grade) Humbert W. Zirolli to be a lieutenant for temporary service.

Ensign Charles B. Babson to be a lieutenant (junior grade) for temporary service.

The following-named chief warrant officers to be ensigns for temporary service:

Charles B. Babson,
Thomas W. Smith,
William Derrington, and
Henry McEvoy.

Machinist Claude S. Padgett to be an ensign for temporary service.

Boatswain Walter B. Buchanan to be an ensign for temporary service.

The following-named officers to be ensigns for temporary service:

William M. Fester,
Clarence E. Miller,
Homer E. Curlee,
Stuart L. Johnson,
Joe B. Cadenbach,
John L. Kershaw,
Patrick H. Foley, and
Harold D. Kent.

The following-named enlisted men to be ensigns for temporary service:

William J. Lowe,
Thomas F. Eagan,
Carl H. Forth,
William W. Funk,
Ivan E. Pitman,
Henry C. Vogt,
Vern W. McGrew,
Frank A. Jahn,
Gustave O. Kolle,
Robert N. Lockart,
Conrad L. Bayer,
Edward J. Sherry,
Richard E. Miegel,
William T. Crone,
Albert F. Holst,
Gilbert R. Whitworth,
Conrad E. Nordhus,
Arthur E. Redding,
Richard Higgins,
David R. Knape, and
Marcus L. Kurtz.

The following-named to be ensigns for temporary service:

John F. W. Gray,
Gysbert V. S. Harvey,
James L. Lohrke,
Fred P. Ritchie,
John G. Kenlon,
Hancock Banning, jr.,
Enoch S. Farson, jr., and
Michael Spring.

The following-named officers to be rear admirals for temporary service:

Joseph Strauss,
Edward W. Eberle, and
Robert E. Coontz.

The following-named officers to be captains, for temporary service:

Leigh C. Palmer,
Albert W. Marshall,
Thomas A. Kearney,
Dudley W. Knox,
Edward McCauley, jr.,
William L. Littlefield,
Earl P. Jessop,
Arthur Creshaw,
Amon Bronson, jr.,
Harry E. Yarnell,
Arthur MacArthur,
David E. Theleen,
Arthur J. Hepburn,
Thomas C. Hart,
Cyrus R. Miller,
Orin G. Murfin, and
Luther M. Overstreet.

The following-named officers to be commanders, for temporary service:

David McD. LeBreton,
Andrew C. Pickens,
Nathaniel H. Wright,
Prentiss P. Bassett,
Hubbard E. Kimmel,
Robert A. Daves,
Paul E. Dampman,
Clyde S. McDowell,
Paul P. Blackburn,
Charles C. Soule, jr.,
Charles H. Bullock,
Lawrence P. Treadwell,
Halsey Powell,
Forde A. Todd,
Cleon W. Mauldin,
Chester L. Hand,
Aubery K. Shoup,
Abram Claude,
Nathan W. Post,
William F. Halsey, jr.,
Roscoe F. Dillen,
Allen B. Reed,
Christopher R. P. Rodgers,
David W. Bagley,
Walter A. Smead,
Arthur C. Kail,

Clarence E. Wood,
 Max M. Frucht,
 Charles S. Joyce,
 Ormond L. Cox
 Royal E. Ingersoll,
 Herbert F. Leary,
 Chester W. Nimitz,
 Reuben B. Coffey,
 Joseph V. Ogan,
 Albert T. Church,
 Logan Cresap,
 John N. Ferguson,
 Louis C. Farley,
 Arthur C. Stott,
 William S. McClintic,
 Byron McCandless,
 Roscoe C. MacFall,
 Robert L. Irvine,
 Bruce L. Canaga, and
 Walter B. Woodson.
 Robert A. Barnett, jr., to be a second lieutenant in the Marine Corps, for temporary service.

POSTMASTERS.

KENTUCKY.

Barbara A. Hogue, Benham.
 C. E. Barnett, Earlington.
 Sarah W. Simms, Springfield.
 Lewis P. Martin, Wayland.
 Samuel F. King, Winchester.

MINNESOTA.

Erick L. Slindee, Adams.
 Frank W. Zaffke, Backus.
 Joseph S. Stearns, Campbell.
 Charles G. Leppla, Fort Snelling.
 C. Edward Sarff, Keewatin.
 P. Andrew Bromstad, Milan.
 Walter L. O'Neill, Remer.

HOUSE OF REPRESENTATIVES.

SATURDAY, February 16, 1918.

The House met at 12 o'clock noon.

The Rev. William Couden, of Washington, D. C., offered the following prayer:

Dear God, our loving Father in Heaven, "Thou hast made us for Thyself and our souls are restless until they find their rest in Thee." Comes to us once more the fleeting, precious moment when we are wont to enter into communion with Thee through the gate of prayer. Be it for us a shelter from care and a retreat for peace, cleansing, and preparation. Banish from us our sin, our worldliness, our unbelief. Grant unto us in the stress of many conflicts and the clamor of many voices serenity of spirit and steadfastness to truth. Keep ever before us the cross of Christ, the sign of his sacrifice and triumph, the emblem of Thy love for us, the measure of our value to Thee, the symbol of our possible service to each other, and the mark of our eternal hope. And to-day and all our days, dear Lord, help us "that by the practice of those things we know to be true we may be led forward to a knowledge of those things we can not now comprehend." Through Jesus Christ, our Lord, amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE PRESIDENT OF THE UNITED STATES.

A message, in writing, from the President of the United States, by Mr. Sharkey, one of his secretaries, was received.

PERSONAL EXPLANATION.

Mr. JOHNSON of Kentucky. Mr. Speaker, I will be glad if the House will indulge me not to exceed three minutes.

The SPEAKER. The gentleman from Kentucky asks unanimous consent to proceed for three minutes. Is there objection?

There was no objection.

Mr. JOHNSON of Kentucky. Mr. Speaker, in the Evening Star of yesterday I find the following:

Chairman JOHNSON, in his policy of legislation by slander, has attempted to beat down all criticism or suggested amendment of the details of his bill by slurring sweepingly not only the Star but all Washington real estate men, representing all local landlords, and even his fellow Representatives who had the audacity to attempt to improve his bill. Of the committee representing the Real Estate Brokers' Association, Chairman JOHNSON says: "They and their clients are the profiteers."

I should apply the short and ugly word to that, Mr. Speaker, but I shall refrain from doing so, and simply say that the newspaper maliciously has garbled what I said, and has put me in a position of saying what I did not say. I did not refer in that connection to the Real Estate Brokers' Association, but instead to "real estate men" other than to that association. Further along the newspaper says:

In deprecating a hearing of the association's committee, he says: "Would the gentleman advocate giving burglars and thieves a hearing in preparing laws to stop them from their practices?"

Now, Mr. Speaker, what I did say will be found on page 2112 of the RECORD, and it is this:

But in this instance the Washington Star is confronted by a double question—the Government clerks upon one side, to whom it wishes to sell its papers, and the real estate men upon the other side, from whom it receives hundreds of thousands of dollars every year in the way of pay for advertisements.

Now, what I said referred to the "real estate men" and not to those of the Real Estate Brokers' Association who came to see me about the matter. Concerning the gentlemen who compose the special committee of the Real Estate Brokers' Association I have no word of criticism, but instead words of commendation. Mr. Wardman is one of those gentlemen, and never yet in any of the correspondence that has reached me, or the telephone messages, or people who have come to see me, have I heard anybody charge him for profiteering; but, on the other hand, I have heard people say that he has protested against it, and would not permit people in his apartments to do so. Of Mr. Fairfax I have never heard any criticism. I never heard a word against Mr. Story. On the other hand, I have heard words of praise of him.

If the Star or anybody else has so distorted my remarks or has misunderstood my remarks as reflecting upon any of these gentlemen, I regret it exceedingly. If I have been so unfortunate as to have my remarks susceptible to that sort of construction, I regret that. If, in the excitement of debate, I have said anything reflecting on these gentlemen, I certainly am most sorry for it and apologize to them for it.

Now, there is another place, on page 2124 of the RECORD. The gentleman from Massachusetts [Mr. TINKHAM] was saying:

Now, Mr. Chairman, only one word in closing, and that is this, that the minority of the Committee on the District of Columbia are as sincerely desirous of stopping unfair profiteering in the District of Columbia, or in any other part of the United States, as the majority, or the honorable Representative from Kentucky [Mr. JOHNSON]; but they do not want to pass a bill which they believe is not only unconstitutional, in at least one of its phases, but unworkable, and which will not produce the results which are believed by both sides to be desirable. I therefore believe that one of three courses should be followed in relation to this bill: As no hearings were given and only an hour and a half given to the consideration by the committee, it should be referred back to the committee for reformation, or—

Mr. JOHNSON of Kentucky. Will the gentleman yield just there?

Mr. TINKHAM. I will.

Mr. JOHNSON of Kentucky. Would the gentleman advocate giving burglars and thieves a hearing in preparing laws to stop them from their practices?

There I was simply inquiring whether or not the gentleman would be willing to go beyond the Real Estate Brokers' Association in the hearings, or whether he would consent to let the profiteers come there and take up the time and delay the hearings on the bill. I meant nothing more than that. And yet the Evening Star, in its ugliness, has put me in the attitude of applying that language to the Real Estate Brokers' Association, when I never intended to do so, and the writer of that article knew, when he garbled what I said, that he was doing so for the purpose of misrepresenting me.

NOTIFICATION OF ILLNESS OF SOLDIERS.

Mr. REAVIS. Mr. Speaker, I ask unanimous consent for the present consideration of House joint resolution 228, to provide notification of illness of soldiers.

The SPEAKER. The gentleman from Nebraska asks unanimous consent for the present consideration of House joint resolution 228, which the Clerk will report.

The Clerk read as follows:

Resolved, etc., That in all cases where an enlisted man or officer of the United States Army is admitted to an Army hospital in continental America on account of a dangerous injury or disease, and in all cases of admission for slight illness or injury and the same becomes dangerous after such admission, immediate notice shall be given to the nearest relative of such enlisted man or officer under such rules and regulations as the Secretary of War may prescribe.

The SPEAKER. Is there objection?

Mr. STAFFORD. Mr. Speaker, as I understood the reporting of the resolution—

Mr. FOSTER. Mr. Speaker, I want to reserve the right to object.

Mr. STAFFORD (continuing). The Clerk read the committee amendment instead of the original resolution.