

# Congress What It Did Yesterday

### The High Financial Problem of Making Both Ends Meet—The Co-ordinated Problem of the "Rate of Exchange" at the Corner Grocery in the United States and the Banks in Chile and China—Secretary of State Robert Lansing Elucidates—Why His Valparaiso Staff Resigned by Telegraph—High Finance in Connection With "War Prices"—More Taxes at This Session of Congress?—The House Ready for Unconditional Surrender.

By W. V. BYARS.

Hon. William Gibbs McAdoo, A. M., LL. D., is a financier of great ability. He knows all about Treasury finance, but if he were a woman with five children, he would have to learn considerably more than he has ever from volunteer experts before he could finance a family in May, 1918, on the "average income" of May last year.

On this point we are now about to consult Hon. Robert Lansing, A. B., LL. D., who, as Secretary of State, does not specialize in finance except for the reason every housewife in every town in the country is learning it at the corner grocery as she undertakes to make both ends meet. Mr. Lansing is learning—or rather is already convinced—that there are conditions under which they will not meet at all. His attention was called to this disagreeable fact on May 13 last by a telegram from the American consul general at Valparaiso, Chile, requesting the acceptance of his resignation and announcing that Consul Mackay and Vice Consul McTurk felt an equally urgent necessity to get into some business which would enable them to earn a living.

Secretary Lansing's reply is not an official record outside of the State Department, but it appears that he induced them to hold on until he could explain the situation to the House of Representatives. This he did yesterday in a letter to the Speaker so highly educational that every housewife with five children who is financing the family this year on last year's average income, will understand what is occurring at the family grocery as soon as she understands Secretary Lansing's explanation of what has been occurring at Valparaiso—and also in China and "on the outside" generally.

To begin explaining Secretary Lansing's explanation, a "peso" is a Span-

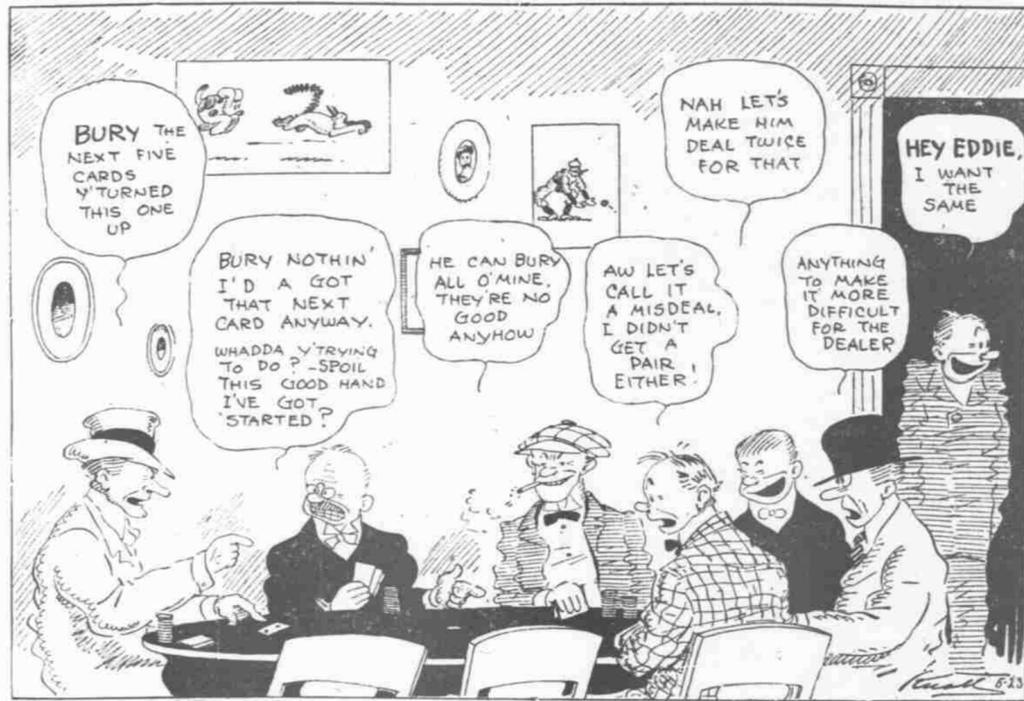
This is on "the rate of exchange"

## Penny Ante

A "FACED" CARD.

By Jean Knott

Registered U. S. Patent Office.



between pesos and dollars, while at the same time Mr. Lansing shows that food prices and other prices have been advancing in Chile as in Washington—though not to the same extent, we may suppose. So, generally as far off as China, the price of the currency of neutral countries has been going up in terms of our money—which means that our "flexible" dollars have been going down in buying power throughout the world as at the corner grocery. This applies—not to the gold twenties you have not seen lately—but the notes of the new billion dollar, flexible bank paper currency everybody sees. It is "good money," but it jams up prices.

If private citizens have any complaints to make because the buying power of their incomes has been jammed down "SIXTY PER CENT" in the United States as in Chile and China, let them postpone complaint until after the war. There is no fund available for their relief, and Secretary Lansing asks Congress to permit the use of a fund for these official sufferers in Chile and China. They certainly ought to have it. While serving the Government, they have been "held up and robbed." That is the unfinancial English of it. But observe also that by this same rule and under this same process, the United States Government has been held up and robbed on every contract for "winning the war" since this "high financing" took effect. Measured by the Chilean percentage, the Government is being held up and robbed now to the extent of SIXTY PER CENT.

The Senate Military Affairs Committee held a meeting yesterday and resolved to go on with its investigation of profiteering in war-con-

tracts. Its ordinance subcommittee held its first meeting. But is it going to investigate the result of managing a "flexible currency" so as to "jam up" contract prices on the Government? Not to any extent that any one knows of, or suspects, or thinks possible!

To conclude the subject of finance, as higher prices charged the Government by profiteers mean higher taxes on the public, the House end of the Capitol decided yesterday to its own entire dissatisfaction that it will be necessary to continue the present session until a new tax bill is passed, raising present rates and taxing a larger number of people for war purposes until Secretary McAdoo is satisfied he will have money enough in the Treasury to meet the urgent expense of the new war program.

These were very concrete impressions, credited to Mr. Kitchin, of the House Ways and Means Committee, and Mr. Sherley, of the Appropriations Committee. Senator Simmons, had not been informed of the final decision at the White House, and he had been requested not to make any public statement until a final decision had been reached by the President. So, while not controverting concrete impressions from whatever source, he was not in a position to reach a definite conclusion or to be quoted. As up to the hour for adjournment, no definite conclusion came by telephone, it is expected by some to arrive in the shape of a White House letter—which will leave no doubt of how Congress has made up its mind, after it is once read.

When the drafted army is disbanded after peace, all unwounded men will be restored to all rights which belong to American citizenship on the peace basis. What these are and are to remain may then become an issue as against the wholly ruinous delusion of those who imagine that they can sue the war to establish a compulsory "kultur" in America, as a permanency after peace—beginning, of course, in the name of education, sociology, philanthropy, and "industrial engineering." Under such auspices, while unwounded men, discharged, might return to citizenship and its rights not to be compelled against their will, maimed veterans would be held for "compulsory education," and not permitted to resume their rights of citizenship until "rehabilitated," and fit to be "employed."

Of course, there was no discussion of manhood rights, or the rights of American citizenship, when the Senate spent the day yesterday in discussing the "rehabilitation bill" for maimed veterans. As all compulsory features had been cut out from the surface of the original bill and only retained in phrases carrying the original idea, the purpose of prolonging debate on it seemed to bring it back as far as possible to its original "ideal" of Kultur. The Senate rejected amendments in this direction, but adjourned without attempting to Americanize the bill as revised in committee.

The oil, coal and gas "leasing bill" was discussed in the House from many angles, before adjournment, as it ought to be from all before action is taken on it. With the increasing automobile and motor truck demand for gasoline, think of what such a bill means in that one item now—of how much more it is likely to mean in five or ten years, if all that are left of the nation's resources still under "public ownership" are tied up under fifty-year leases.

Another "ideal" which is to be realized that is, "put over" in winning the war) begins with Niagara Falls in taking possession and control of the production of hydro-electric power. It is proposed to unify and co-ordinate (otherwise to combine and consolidate) the two main companies which, with their subsidiaries, now control the production of electricity from Niagara. They are to be re-financed with an outfit of "underlying securities" on the plan of stock, preferred stock, and bonds perfected by the genius of the late Pierpont Morgan. Then they are to operate under the "joint control" of the Secretary of War and the New York legislature or its commissions.

The New York legislature is to regulate their rates, as a matter of State rights. It is perhaps unnecessary to ask who will regulate the New York legislature. This matter is now before the House Committee on Foreign Affairs, which is considering a bill showing great experience and remarkable acuteness in "high finance." Robert J. Bulkley, of the war industries board, continued his interesting testimony before the committee yesterday. Mr. Cooper and several other members seemed to have a somewhat different "ideal."

Postmaster General Burleson is under the impression that the express companies put an embargo on their package business last winter. Perhaps they went out voluntarily and searched around until they found an unused embargo and immediately applied it to suppressing themselves. How they did it does not trouble the Postmaster General. What does trouble him is that in taking over their embargoed business and handling it by parcels post he had to spend \$200,000 for more clerks, \$100,000 for increased messenger service, and \$200,000 for increased vehicle service. In applying to Congress for these sums yesterday he proved conclusively that they would not have been needed but for the extraordinary conduct of the express companies.

Secretary of War Baker submitted to

### MERGER OF LITHUANIA AND SAXONY URGED

Merging of Saxony and Lithuania into one province under the rule of the King of Saxony has been officially urged upon the Bunderrath by the Saxon Parliament, according to a Leipzig dispatch printed in the Neue Zürcher Zeitung, cables today stated. The solution undoubtedly will be accepted, the report concludes.

FAIRBANKS STILL VERY LOW. INDIANAPOLIS, May 25.—Charles Warren Fairbanks today was reported to be just holding his own in his fight against Bright's disease.

The Biggs Engineering Company Contracting Engineers  
Heating Plumbing Power Plants  
1310 Fourteenth Street  
Phone Franklin 317

### AMUSEMENTS

SPECIAL HOLIDAY MATINEE  
Decoration Day—Thursday, May 30th.  
IN ALL THE CRANDALL THEATERS

### CRANDALL'S KNICKERBOCKER THEATER

18th Street at Columbia Rd.

MADE DELIGHTFULLY COOL AND BREEZY BY TYPHOON COOLING SYSTEM.

3 TO 11 P. M. — SUN. MON. — 7:15 & 9:15 P. M.

### Dorothy Dalton

In the First Washington Showing of Thos. Ince's Drama  
"TYRANT FEAR"

First Showing—TUES. WED.—First Showing

### Constance Talmadge

In a Dainty and Delightful Story of Love and Laughter,  
"THE LESSON"

2:30 TO 11 P. M. — THURS. FRI. — 7:15 & 9:15 P. M.

### Viola Dana

In the First Washington Showing of a Stirring Drama  
"RIDERS OF THE NIGHT"

EXTRA—EXTRA—EXTRA  
ROSCOE ARBUCKLE In a Gale of Laughter, "MOONSHINE"

2:30 TO 11 P. M. — SAT. — 2:30 TO 11 P. M.

### Bert Lytell

The Brilliant Star in a Rugged Romance of the Plains and Ranches,  
"THE TRAIL TO YESTERDAY"

### CRANDALL'S THEATER

9th and C Sts. ALWAYS A GOOD SHOW

### MARGUERITE CLARK

In the Popular Saturday Evening Post Story,  
"Rich Man, Poor Man"

### CONSTANCE TALMADGE

The Magnetic Star in An Appealing Story,  
"Up the Road With Sally"

### DOROTHY DALTON

In the Triumph of Her Screen Career,  
"Tyrant Fear"

### SAVOY THEATER

14th and Columbia Road

### SAVOY GARDENS

The Most Beautiful and Refined Open Air Resort in This Section of the Country

—NOW OPEN—  
Orchestral Concerts Half Hour Previous To Opening of Performances  
—AUTOISTS—  
Your Evening Trip is Incomplete Without Visiting SAVOY GARDENS

### DOUGLAS FAIRBANKS

in "Mr. Fix-It"

### Madge Kennedy

in "The Fair Pretender"

### DOROTHY DALTON

in "Tyrant Fear"

### Constance Talmadge

in "The Lesson"

### BUSHMAN & BAYNE

in "With Neatness and Dispatch"

### CHARLES RAY

in "Playing the Game"  
And FATTY ARBUCKLE in "The Moonshine"

### APOLLO THEATER

12th Street, N. E.

### PAULINE FREDERICK

in "La Tosca"

### CARLYLE BLACKWELL

in "A Leap to Fame"

### MAE MARSH

in "The Face in the Dark"

### CHARLES RAY

in "Playing the Game"

### BILLIE BURKE

in "Let's Get a Divorce"

### BUSHMAN & BAYNE

in "With Neatness and Dispatch"

### ALICE HOWELL

in "With the Witzes With Father"

### WILLIAM S. HART

in "The Fugitive"

### CLARA KIMBALL YOUNG

in "The Reason Why"

### BUSHMAN & BAYNE

in "With Neatness and Dispatch"

### SIR FORBES ROBERTSON

in "Masks and Faces"

### BILLIE BURKE

in "Let's Get a Divorce" and the Keynote Comedy "His Finest Reputation"

## Another Good Investment

WE paid out some Red Cross money a while back. Paid it out—and forgot it. That's how much it hurt. Might not be a bad idea to have a look at what that money has been doing.

That money went, dollar for dollar, where it did a full day's work, wherever it was.

Three cents of it may have had the honor of disinfecting with iodine the three torn wounds of an American soldier on the French front. Or it may have had the less noble responsibility of pinning a warm flannel belly-band around six-year-old Antoine out back of Noyon.

No use—we can't figure this Red Cross task in cents' worth.

There's the whole path of ruin from Belgium to Switzerland, just to visualize one thing at a time. If your Red Cross money went there it very likely provided pots and pans, food and clothes, beds and blankets, for the repatriated people.

Three years ago these people were prosperous and contented—self-respecting, steady, saving, hard-working, every day, small-town citizens.

Now they have the "earth under them and the sky over them"—not one thing else.

It's for you to say whether this great work of mercy shall stop.

The Red Cross is yours, just as our Army and Navy are yours; yours to support with the same fervor and loyalty that leads you to the bottom of your purse for Liberty Bonds.

It's for your voice to say whether your Red Cross shall falter now or sweep onward, greater and more helpful than ever before.

And it's your dollars that must answer.

Donated to the Red Cross by

### The Lincoln National Bank

7th and D Sts. N. W.  
FLOYD E. DAVIS, Pres.

### Give To the Red Cross 2d War Fund

## We Want to Know

—the minute you have trouble with your Electric Service.

—Our trouble man is always on the job—day and night—and it's his duty to respond quickly to all emergency calls.

—A fuse may blow out any minute, but you'll not be kept in the dark long if you send a hurry-up call for the PEPCO Service Man.

Phone Main 7260

### Potomac Electric Power Co.

14th & C Sts. Phone M 7260

