

Profits and the Navy League

Congressman Tavenner's Reply to Navy League Official

Washington, D. C., Dec. 2, 1915.
Colonel Robert M. Thompson,
President, Navy League,
Washington, D. C.

My Dear Colonel:

I assume from your letter of the 20th ult., and from your various utterances as president of the Navy league, that the impression you desire to create in the minds of the American people is that none of the men who founded, or who have been, or are now, directors of or contributors to the Navy league, have ever been, - are now, in any manner interested in any concern which would profit financially from the \$500,000,000 bond issue for battleships, etc., which you are advocating.

I understand your position to be that none if the money which the Navy league has used to banquet members of congress and secretaries of the navy or to carry on the propaganda for the vastly increased naval appropriations which you advocate, has come from any gentlemen who stand to profit therefrom. I contend that the opposite is true.

In your letter you request that I give you some specific information.

I call your attention to the fact that Elbert W. C. J., who is described in the directory of directors for 1914 as "Chairman of the Board of Directors and Chairman of the Finance committee of the United States Steel Corporation," contributed \$1,000 on June 10, 1915, and that on the same date representatives of the J. P. Morgan estate subscribed \$2,000.

I call your attention to the fact

that J. P. Morgan, who is a director of the United States Steel corporation, was formerly treasurer of the Navy league and is now a director of and a contributor to the Navy league and that J. P. Morgan's brother-in-law, Herbert L. Satterlee, was one of the incorporators of the league, and is at the present time the general counsel of the league. I also note that Edward T. Stotesbury, a member of the firm of J. P. Morgan & Co., and a director of the Baldwin Locomotive works, Cambria Steel Co., Phoenix Iron Co., Riverside Metal Co., Temple Iron Co., Wm. Cramp & Sons Ship and Engine Building Co., and fifty-four other corporations, banks and trust companies, is one of the honorary vice-presidents of the Navy league.

I also call your attention to the fact that George F. Baker, Jr., No. 2, Wall Street, New York, son of a director of United States Steel, contributed \$1,000 to the Navy league, June 10, 1915.

I call your attention to the fact that Robert Bacon, formerly a member of the firm of J. P. Morgan & Co., and now first director of United States Steel, is a director of the Navy league.

I call your attention to the fact that Henry C. Frick, a director of United States Steel, and ten other corporations, banks and trust companies, is one of the vice-presidents of the Navy league.

United States Steel controls the Carnegie Steel company, which has drawn down from the navy contracts

aggregating \$32,954,377 for armor plate alone, and if the Navy league's \$500,000,000 bond issue goes through congress this firm will profit still further.

I call your attention to the fact that Allan A. Ryan, a director of the Bethlehem Steel corporation, contributed \$100 to the Navy league on June 10, 1915, and to the further fact that George R. Sheldon, a director of the Bethlehem Steel corporation, and the American Locomotive Co., both of which concerns have profited hugely from European war orders, is one of the vice-presidents of the Navy league. Mr. Sheldon is also a director of twenty-four other corporations.

The Bethlehem Steel corporation has obtained from the navy department armor contracts amounting to \$42,321,237, and if the Navy league's program goes through, Bethlehem stands to receive increased orders.

From the foregoing it would appear that two of the three concerns composing the armor ring in this country have representation either among the contributors to the Navy league or among the officers or directors of the Navy league.

The government has purchased from these two concerns, Bethlehem and Carnegie, \$75,275,614 worth of armor plate, paying an average price of approximately \$440 a ton therefor.

If this armor plate had been manufactured in a government armor plate factory, which the Navy league has cold-shouldered. At least \$25,000,000 could have been saved to the American taxpayers. There have been ten estimates by government officials as to the cost of armor plate in a government plant and the average of these estimates is \$238 a ton. By contrasting \$440, the price we have paid the private manufacturers, with \$238, the cost at which we might have manufactured this armor in a government plant, it is possible to obtain an inkling as to the reason we do not now have more preparedness to show for the colossal appropriations made for that purpose.

I note there are thirty-one directors of the Navy league. The personal fortunes of these thirty-one men, by the most conservative estimate, aggregate \$100,000,000, or \$3,000,000 to each director. I contend that any board of directors whose individual fortunes average \$3,000,000 can hardly be considered as representative of the views, feelings and heartbeats of the great mass of the American people.

On November 19th I publicly stated that inasmuch as the Navy league insisted that its management and backers are entirely free from any atmosphere of war-trafficking influences, I would, as soon as congress convened, introduce a resolution providing for an investigation of the league, specifically requiring J. P. Morgan and other directors of the league, past and present, to take the responsibility of testifying, under oath, whether they are interested or ever have been, in war-trafficking firms, or concerns which stand to profit from the proposed bond issue of \$500,000,000.

On November 21st I received a letter from you threatening a suit. I consider your letter nothing more nor less than an attempt to intimidate me into abandoning my plans to seek a congressional investigation of your organization. When I am right, the Navy league can not intimidate me.

I now desire in all good faith to take the responsibility of making a suggestion to the Navy league. I suggest that you call a meeting of the board of directors and go on record in favor of the government manufacture of battleships, submarines, armaments, munitions, etc., in order that the people may obtain the

preparedness which you are advocating, at cost. I recommend that you either do this or fold your tent and quietly take your departure from the national capital.

Very respectfully,
CLYDE H. TAVENNER, M. C.

THE CALL TO THE TROUGH

The New York Herald which a few days ago took issue with the Times-Union on the question of military preparedness, seems to have lost much of its enthusiasm on the subject. Just listen to this from its editorial columns:

"Beneficiaries of extortionate tariffs are trying to force the country to a militaristic basis in order to compel the re-enactment of the Dingley schedules to provide sufficient revenues, making the consumer pay the bill for a Prussianized republic. * * Munitions makers are preparing a campaign in congress to perpetuate their war profits at the expense of the American people."

All this is as true as Gospel, but it sounds strange coming from a paper that wishes to double the cost of the army and navy.

A great deal is doubtful about this military preparedness program. While the ships we already have are lacking in men, and while the army can not secure recruits to keep it up to its authorized strength, it is doubtful whether men will volunteer to man twice as large a navy and twice as large an army. Maybe if one man will not volunteer two will, but we can not understand it.

But we do understand, and every man understands, that it is proposed to double the cost of the army and navy, and if the people are called on to pay they will have to do it. Every man also understands that the extra quarter of a billion dollars a year will have to come from additional taxation. Internal revenue taxes will have to be imposed on articles not now taxed or the taxes already in force will have to be increased. Import duties will have to be imposed on commodities that now come in free or be increased on commodities on which they are already imposed. Here is the opportunity that the advocate of the highest protection has been looking for.

The republicans are practically united in favor of protection. The party vote will be cast for the highest protective duties, and every man who knows anything about American politics knows that in raising an extra quarter of a billion dollars for war purposes taxes will be imposed that will take three-quarters of a billion out of the pockets of the American people, two-thirds of which will not go to the government at all, but will go to the favored classes.

Why should not the hogs gather at the trough when they hear the call to feed? This scramble for special favors is the natural outcome of the talk of adding a quarter of a billion dollars a year to the expenditures of the government. If the President's military program goes through as to amount it will carry with it the highest tariff this country has ever known, and its passage will be possible only in case the American people who have so long feared nothing have become mortally afraid of ghosts.—Jacksonville, Fla., Times-Union.

J. M. Kuhn, Portland, Ore.: A suggestion from an American patriotic citizen: Since the burden of all wars fall upon the shoulders of the citizens who are compelled to sacrifice their lives for their country, it would not be too much to ask of the capitalistic classes to contribute from their personal and corporate funds to the nation for such preparedness as they deem necessary for the defense of this nation.

A Militaristic Pipe Dream

[By Savoyard, in The Columbia, S. C., State.]

Of all the crazy visions even the present war has produced, the bloodiest and most destructive of human history, the stuff quoted herein is the daftest. It would appear that the belligerent powers over yonder have nothing in particular in the way of malice against one another. Our Uncle Samuel is the man they are after, and his lands, tenements and hereditaments, goods and chattels, rights and privileges, are to become the spoil of embattled Europe, that is now merely in training to lick us, as your Fitzsimmonses and Jack Johnsons get in trim for a prize fight.

Here is this pipe dream:

"Great Britain is to occupy New England, Maryland, Virginia, North and South Carolina, Georgia and Florida.

"France is to get the French parts of eastern Canada, and the states of Louisiana, Mississippi, Alabama, Arkansas, Tennessee and Kentucky.

"Germany is to occupy the states of New York, Pennsylvania, Ohio, Indiana, Michigan, Illinois, Missouri, Iowa, Wisconsin and Minnesota.

"Japan is to take the Pacific coast, the state of Oregon, upper and lower California.

"Mexico is to be compensated for lower California by ceding to it Arizona, New Mexico, and part of Texas.

"Russia will receive Alaska.

"The Panama canal will be declared free, while the western states, North and South Dakota, Nebraska, Kansas, Oklahoma, Washington, Montana, Wyoming, Idaho, Utah and Colorado will be consolidated into an imperial crown domain of the German empire."

Well, they leave Uncle Sam the District of Columbia. That helps some. This pipe dream appeared in the news columns of a Washington

paper one Sunday morning and I doubt if its like ever was printed before. London and Berlin, Paris and Vienna, Petrograd and Constantinople, Rome and Sofia, are no more thinking of a conquest of the United States than they are of a military expedition against the planet Jupiter.

It may be deluded from the idiocy of the conception that some fellow imagined the stuff and put it in the paper hoping to promote the cause of preparedness. That is likely, for our glorious land is full of folk who believe in haunts and witches and things. Here we have it laid down that Germany does not covet Belgium; New York is what she is after, and Calais she cares not a continental for if she can get Chicago. It seems that Germany is to have the lion's share of the great divide, though Mexico will be allowed to regain Texas and some other states round about. England is not interested in destroying the German navy and sweeping the German merchant marine off the seas. She wants New England and the south end of our Atlantic seaboard. France is not after Alsace-Lorraine. She covets French Canada and that part of the United States Thomas Jefferson bought of Napoleon Bonaparte. Russia is perfectly indifferent about Constantinople; her aim is to regain Alaska, which she sold to William H. Seward at an enormous price as the trade was then estimated by the public. Japan is to put up with our Pacific slope, and other far western chips and whetstones laying about loose in Uncle Sam's backyard are to be gobbled up and made into an imperial crown domain for the kaiser.

This is the most extravagant and the stupidest crazy dream that the war has produced, so far as my observation goes.