

of the act to include civil as well as international conflicts; to the Committee on Foreign Affairs.

1292. By Mr. GAMBLE: Petition signed by Margaret C. Welch and other residents of White Plains, N. Y., urging the retention on the statute books of the act of May 1, 1937, and the extension of the act to include civil as well as international conflicts; to the Committee on Foreign Affairs.

1293. Also, petition signed by Herbert F. Hoeltje and other residents of White Plains, N. Y., urging the retention on the statute books of the act of May 1, 1937, and the extension of the act to include civil as well as international conflicts; to the Committee on Foreign Affairs.

1294. Also, petition signed by Thomas Manning and other residents of New Rochelle, N. Y., urging the retention on the statute books of the act of May 1, 1937, and the extension of the act to include civil as well as international conflicts; to the Committee on Foreign Affairs.

1295. Also, petition signed by Mrs. Edward J. Burke and other residents of White Plains, N. Y., urging the retention on the statute books of the act of May 1, 1937, and the extension of the act to include civil as well as international conflicts; to the Committee on Foreign Affairs.

1296. Also, petition signed by Frank J. Ridgeway and other residents of Larchmont, N. Y., urging the retention on the statute books of the act of May 1, 1937, and the extension of the act to include civil as well as international conflicts; to the Committee on Foreign Affairs.

1297. Also, petition signed by Michael J. Kennedy of Maroneck, N. Y., and other residents of Westchester County, urging the retention on the statute books of the act of May 1, 1937, and the extension of the act to include civil as well as international conflicts; to the Committee on Foreign Affairs.

1298. Also, petition signed by Mary M. Moore and other residents of Larchmont, N. Y., urging the retention on the statute books of the act of May 1, 1937, and the extension of the act to include civil as well as international conflicts; to the Committee on Foreign Affairs.

1299. Also, petition signed by Rose M. Murphy and other residents of Larchmont, N. Y., urging the retention on the statute books of the act of May 1, 1937, and the extension of the act to include civil as well as international conflicts; to the Committee on Foreign Affairs.

1300. By Mr. PFEIFER: Petition of the American Federation of Bookkeepers, Stenographers, and Accountants, Federal Local Union No. 20940, New York City, urging the use of the present trained Works Progress Administration employees in New York City for the 1940 census; to the Committee on Appropriations.

1301. By Mr. PATMAN: Resolution adopted by the Pasadena Central Labor Union, an affiliation of 30 local unions, representing 4,000 members, affiliated with the American Federation of Labor and the California State Federation of Labor, Pasadena, Calif., vigorously favoring House bill 1, known as the Patman bill, providing for a Federal tax on interstate chain stores; to the Committee on Ways and Means.

1302. Also, petition of J. Q. O'Connor and 27 other citizens of Petty, Lamar County, Tex., favoring the passage of House bill 193, providing for redemption of certain cotton certificates issued under the Bankhead Cotton Act; to the Committee on Agriculture.

1303. By Mr. PFEIFER: Petition of the New York State Federation of Federal Employees' Unions, Newburgh, N. Y., urging support of the Ramspeck bill (H. R. 960); to the Committee on the Civil Service.

1304. By Mr. SCHIFFLER: Petition of Rev. Warren K. Martin, pastor, and the board of elders of the First Presbyterian Church of Wellsburg, W. Va., protesting against the proposed amendment to include ministers in the Social Security Act; to the Committee on Ways and Means.

1305. By Mr. SMITH of West Virginia: Resolution unanimously adopted February 17, 1939, by 236 business leaders attending a coal-industry banquet at the West Virginia Hotel in Bluefield, W. Va., opposing the construction of the Gilbertsville Dam and the further expansion of the Tennessee Valley Authority; to the Committee on Rivers and Harbors.

1306. Also, resolution of the Kanawha Coal Operators Association, of Charleston, W. Va., affirming opposition to the proposed Bluestone Dam in New River, Summers County, W. Va.; to the Committee on Rivers and Harbors.

1307. By Mr. THILL: Resolution adopted by the Common Council of the City of Milwaukee, on February 13, 1939, opposing Senate Joint Resolution No. 24; to the Committee on the Public Lands.

1308. By Mr. THOMASON: Petition of the independent tire dealers of El Paso, Tex., urging passage of the Patman bill (H. R. 1); to the Committee on Ways and Means.

1309. By the SPEAKER: Petition of the Washington Alumni Chapter, Kappa Alpha Psi, Washington, D. C., petitioning consideration of their resolution with reference to House bills 3317 and 3318, concerning service in the Military Establishment; to the Committee on Military Affairs.

1310. Also, petition of the National Lawyers Guild, San Francisco, Calif., petitioning consideration of their resolution with reference to the Dies committee; to the Committee on Rules.

## SENATE

THURSDAY, FEBRUARY 23, 1939

The Chaplain, Rev. Z. Barney T. Phillips, D. D., offered the following prayer:

O Thou whose power unrelenting and unrelenting flows as secret music in an enchanted silence to renew the universal vision of the soul: Help us ere we undertake the duties of another day to surrender all to Thee, our spirits, souls, and bodies, that no taint of sin may thwart in us Thy purposes, for Thou wouldst have us to be true and pure and brave and strong, following in the footsteps of the blessed Christ.

And if our vision of Thee fail, then do Thou bring us back to Thee through these sacred human ties, making us true because of those who trust us, keeping us pure for the sake of those who care, helping us to be brave when courage is so needed and strong for all there is to suffer, until we and all Thy children feel again the blessing of Thy presence and the sanctuary of Thine everlasting arms. We ask it in our Saviour's name. Amen.

### THE JOURNAL

On the request of Mr. BARKLEY, and by unanimous consent, the reading of the Journal of the proceedings of the calendar day Wednesday, February 22, 1939, was dispensed with, and the Journal was approved.

### CALL OF THE ROLL

Mr. MINTON. I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

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

Adams	Davis	Johnson, Colo.	Schwartz
Andrews	Donahey	King	Sheppard
Ashurst	Downey	Lee	Shipstead
Austin	Ellender	Lewis	Smathers
Bailey	Frazier	Lodge	Smith
Bankhead	George	Logan	Stewart
Barbour	Gibson	Lundeen	Taft
Barkley	Gillette	McKellar	Thomas, Okla.
Bone	Glass	McNary	Thomas, Utah
Borah	Green	Miller	Tobey
Bridges	Guffey	Minton	Truman
Brown	Gurney	Murray	Tydings
Bulow	Harrison	Neely	Vandenberg
Byrd	Hatch	Norris	Van Nuys
Byrnes	Hayden	Overton	Wagner
Capper	Herring	Pepper	Walsh
Caraway	Hill	Pittman	Wheeler
Chavez	Holman	Radcliffe	White
Clark, Idaho	Holt	Reed	Wiley
Connally	Hughes	Reynolds	
Danaher	Johnson, Calif.	Russell	

Mr. MINTON. I announce that the Senator from Wyoming [Mr. O'MAHONEY] and the Senator from Washington [Mr. SCHWELLENBACH] are absent from the Senate because of illness.

The Senator from Mississippi [Mr. BILBO], the Senator from Nebraska [Mr. BURKE], the Senator from Missouri [Mr.

CLARK], the Senator from Connecticut [Mr. MALONEY], the Senator from Nevada [Mr. McCARRAN], and the Senator from New York [Mr. MEAD] are detained on important public business.

The Senator from Illinois [Mr. LUCAS] is unavoidably detained.

Mr. NORRIS. I wish to state that the Senator from Wisconsin [Mr. LA FOLLETTE] is detained on important public business.

The VICE PRESIDENT. Eighty-two Senators have answered to their names. A quorum is present.

#### MESSAGE FROM THE HOUSE—ENROLLED BILL SIGNED

A message from the House of Representatives, by Mr. Chaffee, one of its reading clerks, announced that the Speaker had affixed his signature to the enrolled bill (S. 1102) to continue the functions of the Reconstruction Finance Corporation, and for other purposes; and it was signed by the Vice President.

#### PETITIONS AND MEMORIALS

The VICE PRESIDENT laid before the Senate the following joint memorial of the Legislature of the State of Colorado, which was referred to the Committee on the Judiciary:

HON. SAM G. BRATTON  
House Joint Memorial 7

*Be it resolved by the House of Representatives of the Thirty-second General Assembly of the State of Colorado (the senate concurring herein), That it is the sense of this general assembly that the Honorable Sam G. Bratton, United States circuit judge of the tenth judicial district, is a most fit person to be appointed as a member of the Supreme Court of the United States; that his long and most honorable record in public life as a judge and as United States Senator from the State of New Mexico has invited national recognition of his talents, attainments, and character; and accordingly this general assembly does recommend he now be appointed to the current vacancy in said United States Supreme Court, both as a tribute to Judge Bratton, as well as a recognition of the claims of the western portion of the United States in that behalf; and further be it*

*Resolved, That a copy of this memorial be forwarded to the President of the United States and to each of the United States Senators from Colorado and that a copy be mailed to the Honorable Sam G. Bratton.*

The VICE PRESIDENT also laid before the Senate the following resolution of the Senate of the State of Alabama, which was referred to the Committee on Foreign Relations:

Whereas war clouds hover over the world today; and

Whereas wars are raging today in both Asia and Europe; and

Whereas there is seemingly imminent danger of a general conflagration breaking out among the major countries of Europe; and

Whereas in such event there would be much pressure brought upon the President and the Congress of the United States to induce participation by the United States in such a conflict; and

Whereas in the Spanish-American War which this country fought ostensibly to right the wrongs which had been done this country by the Spanish nation and to relieve dire human suffering in certain Spanish possessions; and

Whereas in that war the United States, after having won the same at a cost of many millions of dollars and many hundreds of human lives, then paid to the Spanish Government \$20,000,000 to be allowed to relieve that Government of the burden of the Philippine Islands; and

Whereas the Philippine Islands have since been a burden and a source of worry and trouble to the United States; and

Whereas in the World War into which the United States entered to make the world safe for democracy, the United States spent many billions of dollars and saw the lives of thousands upon thousands of its young men sacrificed; and

Whereas whatever else may have been accomplished by the participation of the United States in the World War, it certainly did not result in making the world safe for democracy; and

Whereas the participation of the United States in the World War caused it to lose the friendship of many nations whose friendship she would still have had she not participated therein; and

Whereas the United States financed in large measure the participation of other nations in the World War by loans to those nations which they have refused to repay and still refuse to repay; and

Whereas the cost of the United States participation in the World War is still being paid for by the citizens of America at the rate of several billions of dollars annually and will continue to be paid for at this rate for many, many years to come; and

Whereas the deleterious effects of the World War have left an ugly scar upon the present generation of American citizens and will continue to leave an ugly scar on many generations yet to come; and

Whereas the best minds of this Nation and the world are convinced that the world has not yet recovered morally or financially from the disastrous effects of the World War, and that another

such war will mean the destruction of the civilization of the world; and

Whereas the experiences of the past teach us that no good but much harm can come from further participation by the United States in future foreign wars; and

Whereas the citizens of the United States are overwhelmingly opposed to the United States becoming engaged in another foreign war that will mean a sacrifice of thousands of lives of its citizens in addition to the financial cost of untold billions of dollars: Now, therefore, be it

*Resolved by the Senate of Alabama, That it is the sense of the people of the State of Alabama that they are unalterably opposed to participation by the United States in another foreign war; and be it further*

*Resolved, That the Senate of Alabama and the people of Alabama, through the Senate of Alabama, memorialize the President and the Congress of the United States to do all in their power to keep the United States out of any foreign war in case a general conflagration occurs; and be it further*

*Resolved, That copies of this resolution be sent by the secretary of the senate to the President of the United States, the Secretary of State of the United States, the President of the Senate of the United States, the Speaker of the House of Representatives of the United States, the United States Senators from the State of Alabama, and the Members of Congress from the State of Alabama.*

The VICE PRESIDENT also laid before the Senate the following joint memorials of the Legislature of the Territory of Alaska, which were referred to the Committee on Territories and Insular Affairs:

#### House Joint Memorial 2

*To the Congress of the United States, and to the Honorable Anthony J. Dimond, Delegate to Congress from Alaska:*

Your memorialist, the Legislature of the Territory of Alaska, respectfully represents that:

Whereas the act of Congress approved March 26, 1934 (sec. 2, ch. 86, 48 Stat. L. 465), provides that the Legislature of the Territory of Alaska shall convene on the second Monday in January 1935, and on the second Monday in January every 2 years thereafter; and

Whereas the present fiscal year for the Territory of Alaska, as provided by section 25 of chapter 118, Session Laws of Alaska, 1929, ends on December 31; and

Whereas all offices of the Territory connected with the records of receipts and expenditures of the Territory must close their books as of said December 31 and take their balances, particularly the offices of the Territorial treasurer and the auditor of Alaska, and make necessary reports to the legislature, including the budget for the ensuing biennium, and before making the Territorial treasurer's report the balances must be reconciled with the bank balances of said December 31 in order to estimate available funds for the next biennium; and

Whereas it has been the experience of the officers mentioned that it is impracticable to have balances and estimates prepared and printed reports distributed to the members of the legislature in the short time between the closing of the books on December 31 and the date of convening of the legislature; and

Whereas because of the distances traveled by various members of the legislature, many of whom are businessmen whose business is generally done on a calendar-year basis, it is practically impossible for such businessmen to attend to the closing of their books for the year and to arrive in Juneau before the second Monday in January for the convening of the legislature: Now, therefore,

We, your memorialist, respectfully petition that the act of Congress approved March 26, 1934 (sec. 2, ch. 86, 48 Stat. L. 465), be amended by changing the date of convening of the Alaska Legislature from the second Monday in January of each odd numbered year to the fourth Monday in January of each odd numbered year. And your memorialist will ever pray.

#### House Joint Memorial 3

*To the honorable the Congress of the United States:*

Your memorialist, the Legislature of the Territory of Alaska, in fourteenth regular session assembled, respectfully submits that—

Whereas under the provisions of the act of Congress approved August 24, 1912, commonly termed the "organic act," the Alaska Territorial Legislature is limited to biennial sessions, occurring in odd-numbered years; and

Whereas, due to advances in development of natural resources and conditions affecting such development and problems arising from the conservation of natural resources and because of the need for a more active association between the National Government and the Territorial government:

Now, therefore, your memorialist urges that the Congress of the United States amend the aforesaid act of Congress to provide for a regular 30-day session in the even-numbered years.

And your memorialist will ever pray.

Approved by the Governor, February 6, 1939.

JOHN W. TROY,  
Governor of Alaska.

The VICE PRESIDENT also laid before the Senate the following concurrent memorial of the Legislature of the State

of Arizona, which was referred to the Committee on Banking and Currency:

**House Concurrent Memorial 4**

Concurrent memorial relating to assistance for the owners of undeveloped mining properties

*To the President, the Congress, and the Reconstruction Finance Corporation of the United States:*

Your memorialist respectfully represents:

There was a time when it was relatively easy for the owner of a good mining prospect to interest capital, in moderate amounts, for development purposes.

Restrictive legislation enacted in recent years, regulating the offering of securities to investors, however sound such legislation may be in principle or in its general application to industry, has placed a serious handicap upon the seeker after capital for the development of mining prospects. When taken in connection with prevailing financial conditions, the securing of capital for such purpose from private sources has become a virtual impossibility.

A very limited recognition of the mining industry's right to participate in the benefits of the Government's program for bolstering the national economic structure through Government loans and other forms of assistance to industry was accorded by the act of Congress approved June 19, 1934 (Public, No. 417, sec. 14), authorizing the Reconstruction Finance Corporation to make loans, under certain conditions, to persons engaged in the development of mining properties.

The terms of this authorization, however, restrict such loans within an unfortunately narrow compass, i. e., to the development of ore bodies, or placer deposits, containing gold, silver, or tin.

In this State, while many ores contain gold or silver, or both, there are highly important mineral deposits, notably lead, zinc, and manganese, and most frequently the last-named, which do not contain either gold or silver.

To make this form of assistance still more difficult of attainment, the Reconstruction Finance Corporation's self-imposed regulations surrounding the granting of loans on mines containing the approved metals are unduly severe.

As an evidence of the severity and impracticability of the conditions surrounding the granting of loans on mining properties, the fact is cited that, although the act authorizing such loans has been in effect 4½ years and applies to all States, ample funds of the original allocation of \$10,000,000 are still available for immediate needs.

It was obviously the intention of Congress in passing this act that it was to be considered as a relief measure, for the benefit of those engaged in mining. That only a small amount of money has been loaned under its provisions shows that the administration of the act, as well as the act itself, is far too rigid.

Wherefore, your memorialist, the House of Representatives of the State of Arizona (the senate concurring), urgently requests:

1. That Congress liberalize the act approved June 19, 1934 (Public, No. 417) so that loans may be made on mining properties which do not contain gold, silver, and tin.

2. That the Reconstruction Finance Corporation, without waiting for action by Congress, amend its regulations so that loans may be made on properties containing the approved metals under less rigid and more practical conditions.

The VICE PRESIDENT also laid before the Senate the following joint memorial of the Legislature of the State of Arizona, which was referred to the Committee on Finance:

**Senate Joint Memorial 2**

Joint memorial relating to the excise tax on foreign copper

*To the Congress of the United States of America:*

Your memorialist respectfully represents:

Since 1932, by acts of Congress, there has continuously been in existence an excise tax on foreign copper of 4 cents per pound, which tax was reenacted in the revenue bill of 1937 and automatically expires on June 30, 1939.

The continued protection of the copper industry is essential to the welfare of the entire United States, since countless employees in many industries are dependent upon the continued operation of the copper mines, not only because of direct purchases of material and equipment, but also because of purchases of food, clothing, and other necessities by those employed by the copper industry.

Because of present world conditions, the United States' program of national defense and international independence demands the maintenance of a healthy copper industry, ready to serve fully and efficiently in the production of a necessary metal.

Without assistance, the United States copper industry cannot survive the competition of the foreign copper industry in the world market because of the low costs of production abroad resulting from higher grade ores, enormous ore reserves near the surface, employment of peon and indentured labor, byproduct copper production, and subsidization of foreign nations as an essential part of defense programs.

The continued maintenance of the copper excise tax has been highly beneficial in that it has successfully prevented the importation of foreign copper into this country and made possible orderly industrial progress and development both in the United States and throughout the world.

Said excise tax has not been detrimental to domestic interests, inasmuch as the price of domestic copper has been consistently in

line with world prices, and had advanced only when forced to do so by increase in London quotations.

A healthy copper industry has been created and maintained merely by reserving the domestic market for United States producers without increasing the price to the consumer, whereas the attainment of the same objective by international cooperation has been attempted, with dismal failure the only result.

The State of Arizona and its future progress is so closely interwoven with the copper-mining industry that prosperity or depression within the State depends in large measure upon the conditions existing within that single industry.

Wherefore your memorialist, the Legislature of the State of Arizona, prays:

That the Congress of the United States of America enact legislation to continue the excise tax on foreign copper at not less than its present level of 4 cents per pound.

The VICE PRESIDENT also laid before the Senate the following memorials from the Legislature of the State of Arizona, which were referred to the Committee on Appropriations:

**Senate Joint Memorial 1**

Joint memorial relating to the development, purchase, and storage of metals and minerals necessary to a program of national defense

*To the Congress of the United States of America:*

Your memorialist respectfully represents:

Within the borders of the United States there exists an adequate supply of most of the metals and minerals necessary for use in time of war.

In many instances these metals and minerals can be obtained from abroad at a price lower than the cost of domestic production, for which reason the deposits of such metals and minerals in this country have not been properly developed.

In the event the foreign sources of supply should suddenly be cut off, because of war or other emergency, the program of national defense would be retarded until sufficient time had elapsed to develop mines and to accumulate an adequate store of war metals and minerals.

In order to maintain a continuing policy of national defense, to foster the development of natural resources, and to provide employment, a policy of aiding and encouraging operators of mining properties to begin and continue production of war metals and minerals would be both desirable and beneficial.

Wherefore your memorialist, the Legislature of the State of Arizona, prays:

That the Congress of the United States enact legislation providing for the purchase and storage, from domestic production only, of metals and minerals necessary to a program of national defense.

**House Memorial 2**

Memorial relating to the Federal appropriation for predatory animal and rodent control

*To the Congress of the United States:*

Your memorialist respectfully represents:

Under the act of Congress approved March 2, 1931 (Public, No. 776), the Secretary of Agriculture was authorized and directed to carry out a cooperative program, in conjunction with the States, for the eradication, suppression, or bringing under control of predatory wild animals and rodents injurious to agriculture, horticulture, forestry, animal husbandry, wild game, and other interests, and the Congress was authorized to appropriate \$1,000,000 per annum for such purpose.

This program is especially important to the State of Arizona, which has a number of industries affected by it. The livestock industry, occupying many mountainous and forest areas, suffers immense losses through the depredations of wild animals. Its lower ranges are subject to the ravages of prairie dogs and gophers. The farming and orchard areas of the State are likewise subject to injury from rodent infestations, and great losses are annually sustained by reason thereof.

Under the authorization above referred to, Congress has appropriated heretofore from \$480,000 to \$600,000 annually. The Secretary of Agriculture, deeming this sum insufficient, has requested the appropriation of the full sum of \$1,000,000.

From the point of view of this State, and for the best interest of the livestock and agricultural industries, the appropriation of the maximum amount authorized by the act of Congress of March 2, 1931, and its judicious use in the eradication, suppression, or bringing under control of predatory wild animals and rodents is amply justified.

Wherefore your memorialist, the House of Representatives of the State of Arizona, urgently requests:

1. That, in compliance with the recommendation of the Secretary of Agriculture, the Congress appropriate the sum of \$1,000,000 annually for predatory animal and rodent control.

**House Concurrent Memorial 3**

Concurrent memorial relating to an appropriation by Congress for aid to States for wildlife restoration

*To the Congress of the United States:*

Your memorialist respectfully represents:

The Pittman-Robertson Act (Public, No. 415, 75th Cong.) authorized Congress to make an annual appropriation for Federal aid to the States for the restoration of wildlife.

It is of the utmost importance that the programs of wildlife restoration which have been inaugurated in various States under the terms of the Pittman-Robertson Act be carried forward without interruption, that the gains already made in wildlife restoration be not lost, and that any States which have not yet availed themselves of the advantages of this beneficent law may have opportunity to do so.

Wherefore your memorialist, the House of Representatives of the State of Arizona (the senate concurring) requests:

1. That the Congress appropriate, as authorized by the Pittman-Robertson Act, "an amount equal to the revenue accruing from the tax imposed by section 610, title IV, of the Revenue Act of 1932, on firearms, shells, and cartridges," for carrying out the purposes of the act, and enabling the States to restore their wildlife.

The VICE PRESIDENT also laid before the Senate a letter in the nature of a memorial from the Lima (Ohio) Central Labor Union, remonstrating against the reappointment of Donald Wakefield Smith as a member of the National Labor Relations Board, which was referred to the Committee on Education and Labor.

He also laid before the Senate a resolution of Lodge No. 1014, Steel Workers Organizing Committee, of Gary, Ind., protesting against amendment of the National Labor Relations Act, which was referred to the Committee on Education and Labor.

He also laid before the Senate a resolution of Local No. 60, United Rubber Workers of America, of Pittsburg, Calif., favoring an adequate appropriation for the National Labor Relations Board and protesting against amendment of the National Labor Relations Act, which was referred to the Committee on Education and Labor.

He also laid before the Senate a resolution of Carquinez Local No. 51, International Union of Mine, Mill, and Smelter Workers, of Rodeo, Calif., favoring the taking of votes in the Congress by yeas and nays and not in a manner by which the vote of an individual Member cannot be determined, which was referred to the Committee on Rules.

Mr. WHITE presented a petition of sundry citizens of the State of Maine, praying for the enactment of House bill 11, a general-welfare bill providing old-age assistance, which was referred to the Committee on Finance.

He also presented petitions, numerous signed of sundry citizens of the State of Maine, praying for the enactment of legislation to prohibit the advertising of alcoholic beverages by press and radio, which were referred to the Committee on Interstate Commerce.

Mr. CAPPER presented petitions of sundry citizens of Fontana, Kans., praying for the enactment of legislation to exempt small independent telephone companies from the provisions of the Labor Standards Act of 1938, which were referred to the Committee on Education and Labor.

He also presented a petition of sundry citizens of Parsons, Kans., praying that the United States adopt a policy of non-participation in aggression and also discontinue the shipment of war supplies to Japan for use in her operations in China, which was referred to the Committee on Foreign Relations.

Mr. LODGE presented petitions of sundry citizens of the State of Massachusetts, praying that the United States adhere to the general policy of neutrality as enunciated in existing law and extend the law to include civil as well as international conflicts, which were referred to the Committee on Foreign Relations.

He also presented a resolution of the Woman's Christian Temperance Union, of Winchester, Mass., favoring the enactment of legislation to prohibit the advertising of alcoholic beverages by press and radio, which was referred to the Committee on Interstate Commerce.

Mr. TYDINGS presented resolutions of the Parent-Teacher Associations of the following schools: Anacostia Junior-Senior High School, Congress Heights, John Quincy Adams, Francis Scott Key, Buchanan, Wheatley, Bowen-Greenleaf, Stanton, Taft Junior High School, Randle-Orr, Blair-Hayes, and Edmonds-Maury, all in the District of Columbia, favoring the making of deficiency appropriations for heating and lighting school buildings in the District and also for teachers' salaries, which were referred to the Committee on Appropriations.

He also presented the memorial of members of the vestry of the Great Choptank Parish, Protestant Episcopal Church, of Dorchester County, Md., remonstrating against inclusion of religious, charitable, and educational institutions under the operation of the social-security system, which was referred to the Committee on Finance.

He also presented a petition of sundry citizens of Annapolis, Md., praying that the shipment of munitions, war materials, and supplies to Japan for use in her operations in China may be stopped, which was referred to the Committee on Foreign Relations.

He also presented a resolution of the Finksburg (Md.) Woman's Christian Temperance Union, favoring the enactment of legislation to prohibit the advertising of alcoholic beverages by press and radio, which was referred to the Committee on Interstate Commerce.

Mr. RUSSELL presented the following concurrent resolution of the Legislature of the State of Georgia, which was referred to the Committee on Agriculture and Forestry:

Concurrent resolution requesting the United States Senators and Members of Congress from Georgia to initiate and cooperate in supporting legislation to restore cotton to its former economic importance in world commerce

Whereas by reason of legislation creating trade barriers to the cotton trade, discriminating freight rates, the tariff, and other legislation, and by reason of world economic conditions and competition from cotton growers in foreign countries with living standards below that of this country the cotton farmers in the Southern States have been reduced to a tragic financial condition, their export markets have been almost lost, they are subject to competition which they are handicapped in meeting, and the growing of cotton made economically impossible under existing conditions; and

Whereas unless concerted action is immediately taken by the the Senators and Members of Congress from the cotton States, looking to the relief of the cotton farmers from the handicaps under which such conditions have come about, the growing of cotton may soon become a thing of the past in this country, and the welfare and income of large sections of the United States seriously affected: Be it

*Resolved by the House of Representatives of the State of Georgia (the senate concurring), That the attention of the Congress of the United States is respectfully directed to the fact that cotton is the leading product in America's commerce and international trade, and that the cotton farmer represents the world's largest primary wealth-producing group, and that it is of paramount importance to the producers of this commodity, as well as to the continued life of world trade on the part of the United States, that this interest be adequately rehabilitated and fostered. To that end, the Senators and Members of Congress from the State of Georgia are respectfully urged to take immediate steps to meet with the Senators and Representatives from all other cotton States for the purpose of securing concerted action by the Congress for the relief of the cotton farmers and of the industry from the handicaps and barriers under which they and it now suffer in the marketing of cotton, domestic and foreign, and it is respectfully suggested that among the things they are called to advocate are the following:*

(1) Legislation for the removal of statutory trade barriers, as far as possible, against our cotton trade, such as the modification or repeal of the Johnson Act, the enactment of legislation bringing about the equalization of transportation rates, the revision of the tariff to relieve discrimination against the cotton farmers, and other legislation;

(2) The sale to and use by the Government for the manufacture of equipments and munitions of war of 6,000,000 bales of surplus cotton;

(3) Allocation to producers of cotton from the cotton being carried under Government loans a sufficient number of bales to pay them the balance due on 3 cents per pound subsidy authorized by national legislation effective on 1937 cotton crop and on which only 1.80 per pound had been paid;

(4) Increase the subsidy payment to the cotton producers by the further distribution of Government loan surplus cotton to 65 percent of parity prices on cotton during the crop years 1937, 1938, and 1939;

(5) Selling to the Post Office Department 1,000,000 bales of cotton now being carried by the Government under loans, this cotton to be used to be manufactured into twines and other materials for use of the United States mail service, the Post Office Department to place this cotton through bids to be manufactured for their uses;

(6) To allocate or reapportion from the cotton being carried by the Government under the loans, 1,000,000 bales to be manufactured into cotton bagging to be distributed to cotton farmers as an additional subsidy without charge for baling their 1939 cotton and cotton of subsequent years;

(7) The allocation of cotton, in point of time to comply with the time now required under the law for the sale thereof;

(8) The retention of soil-conservation payments as now made, pending the working out of a definite permanent plan for the future of cotton;

(9) The pledging of the Government to a definite support of cotton production profitable to the cotton growers;

(10) The protection of cotton growers through a subsidy payment increasing the selling price to 65 percent of the parity price of cotton, so that they may successfully compete with foreign growers and regain lost export markets;

(11) The granting to cotton growers of the privilege of planting other money crops than cotton on surplus lands resulting from reduction of cotton acreage, and not needed for production of feed and food crops for home consumption, without imposing a penalty against compliance payments, as now done;

(12) The immediate payment to cotton farmers of all amount due for 1938 compliance, as was promised;

(13) There is no one in the United States Department of Agriculture whose primary interest is the promotion of the welfare of the cotton farmer. To remedy this condition, create an office of cotton commissioner in the United States Department of Agriculture. It should be the commissioner's duty to develop new uses and markets for cotton and to represent producers of cotton in developing farm programs;

(14) In addition to finances otherwise available that a sufficient fund be appropriated from the general funds of the Treasury and made available to the Secretary of Agriculture to carry into effect this program here recommended and that funds for agriculture be raised in the same manner that funds are raised for other Government expenditures;

(15) The formation in each House of Congress of a bloc to advocate measures for the protection, encouragement, and support of the cotton both now and in the future; be it further

*Resolved*, That the legislative bodies of the cotton States be urged to take immediate action to request from their Senators and Members of Congress similar cooperation and support of such actions and measures; be it further

*Resolved*, That the clerk of the house do forthwith transmit copies of this resolution to the United States Senators and Members of Congress from this State and to the legislative bodies of each of the following States, to wit: North Carolina, South Carolina, Alabama, Florida, Louisiana, Mississippi, Arkansas, Oklahoma, Arizona, New Mexico, California, Missouri, Kansas, Texas, and Tennessee.

Mr. CONNALLY presented the following resolution of the Senate of the State of Texas, which was referred to the Committee on Interstate Commerce:

#### Senate Resolution 23

Whereas the United States has for many years been divided into zones for the purpose of fixing freight rates, with said freight-rate structure being under the direct supervision of the Interstate Commerce Commission; and

Whereas the freight rates under the zoning system are much higher in certain sections of the Nation than in other sections; and

Whereas because of this zoning set-up the people of Texas and the Southwest are paying from 60 to 85 percent more on their freight than are the people in the East and Central Eastern States; and

Whereas this discrimination is detrimental to the farmer, the stockman, the laborer, the businessman, and the manufacturer of our section of the Nation and does not give them equal opportunity to benefit in agriculture, commerce, or our economic system in general; and

Whereas this discrimination results in our producers being tremendously penalized on everything bought and sold; results in our consumers paying more for commodities than the consumers in other zones; results in producers from more distant areas gaining our own export and domestic markets at lower transportation costs than our own producers; and results in stagnating our industrial development and restricting an even flow of commerce and trade in the southwestern region; and

Whereas from a study of Interstate Commerce Commission reports on transportation costs it definitely appears that transportation operation costs in Texas are even less than in the eastern and northern zone, while our freight rates are from 60 to 85 percent higher; and

Whereas if we are to have industrialization and to promote factories in Texas and the Southwest and to give the farmer, the laborer, and the businessman in this region an even break it is necessary that this discrimination of freight rates be abolished and a fair and equitable system inaugurated: Now, therefore, be it

*Resolved by the Senate of the State of Texas*, That we hereby ask the United States Congress to pass such legislation as may be necessary to eliminate the discrimination in freight rates as between the various regions of the United States, to bring these rates on a parity in level and scheme in all portions of the United States, and to establish and maintain a rate structure to the end that our Texas producers and consumers be no longer discriminated against, and to the end that there be a free flow of commerce between all regions of the United States; and be it further

*Resolved*, That a copy of this resolution be sent to the Members of the United States Congress from Texas.

Mr. CONNALLY also presented the following resolution of the House of Representatives of the State of Texas, which was referred to the Committee on Interstate Commerce:

Whereas the United States has for a long number of years been divided into zones for the purpose of fixing freight rates, with said freight-rate structure under the direct supervision of the Interstate Commerce Commission; and

Whereas the freight rates under the zoning system are much higher in certain sections of the Nation than in other sections; and

Whereas the people of Texas and the Southwest are paying from 60 to 85 percent more on their freight than are the people in the East and Central Eastern States; and

Whereas this discrimination is detrimental to the farmer, the laborer, the businessman, and the manufacturer of our section of the Nation and does not give them equal opportunity to benefit in agriculture, commerce, or our economic system in general; and

Whereas if we are to have industrialization and to promote factories in Texas and the Southwest and to give the farmer, the laborer, and the businessman an even break it is necessary that this discrimination of freight rates be abolished and a fair and equitable system inaugurated: Now, therefore, be it

*Resolved by the house of representatives*, That we hereby ask the United States Congress to take such steps as might be necessary to obtain from the Interstate Commerce Commission the cooperation and rulings necessary to abolish this discrimination in freight rates and to inaugurate a fair, just, and equitable system; and be it

*Resolved*, That a copy of this resolution be sent to the Members of the United States Congress from Texas.

Mr. GURNEY presented 14 petitions, numerous signed, of sundry citizens of 14 communities in the State of South Dakota, praying for the enactment of legislation to prohibit the advertising of alcoholic beverages by press and radio, which were referred to the Committee on Interstate Commerce.

#### RESOLUTIONS OF LEGISLATURE OF SOUTH DAKOTA

Mr. GURNEY. Mr. President, I present a number of resolutions adopted by the Legislature of the State of South Dakota for printing in the RECORD and appropriate references. The resolutions which I present relate to subjects of prime importance to the citizens of South Dakota, and I trust they may be given careful consideration.

The VICE PRESIDENT. The resolutions will be received and properly referred.

The resolutions presented by Mr. GURNEY were referred as follows:

A concurrent resolution of the Legislature of the State of South Dakota, favoring the enactment of legislation to enable farmers and stockmen to be self-sustaining and to repossess their homes and properties; to the Committee on Agriculture and Forestry.

(See resolution printed in full when laid before the Senate by the Vice President on the 13th instant, p. 1339, CONGRESSIONAL RECORD.)

A concurrent resolution of the Legislature of the State of South Dakota, favoring the appropriation of adequate funds for operations under the Farm Forestry Acts; to the Committee on Agriculture and Forestry.

(See resolution printed in full when laid before the Senate by the Vice President on the 13th instant, p. 1339, CONGRESSIONAL RECORD.)

To the Committee on Agriculture and Forestry:

#### Senate Concurrent Resolution 3

Concurrent resolution memorializing the Congress of the United States to liberalize and amortize the payments of Federal seed and feed loans

*Be it resolved by the Senate of the State of South Dakota (the house of representatives concurring):*

Whereas a prolonged and still existing period of emergency exists in agricultural regions due to continued drought, insect infestation, low prices, lack of normal consumption of agricultural products, which said emergency conditions have largely precluded the repayment of Federal seed and feed loans in accordance with the notes evidencing the same; and

Whereas it appears to the Legislature of the State of South Dakota that a continuation of such emergency conditions will absolutely prevent a great number of farmers who have availed themselves of Federal seed and feed loans from repayment of same in accordance with their written agreement: Therefore be it

*Resolved*, That we hereby request and memorialize the National Congress to enact legislation which will permit the amortization of such seed and feed loans, and the repayment thereof in installments at a rate of interest of not more than 5 percent per

annum. Such amortization to permit the repayment of such loan in equal annual installments for a period of not less than 10 years. Such repayment privileges to be available to loans hereafter made, as well as to those heretofore made.

#### Senate Concurrent Resolution 10

Concurrent resolution relating to the distribution of food commodities by Federal relief agencies

*Be it resolved by the Senate of the State of South Dakota (the house of representatives concurring):*

Whereas the distribution of surplus food commodities and clothing to persons in need is necessary to many people in this State, but in many instances the distribution is not made to those who are in the greatest need thereof;

Whereas the present system of distribution is costly to both the United States Government, the State of South Dakota, and the several counties participating in the distribution thereof;

Whereas large quantities of the commodities distributed are not best adapted to the needs of the people of this State, which likewise results in waste and expense; and

Whereas the system of distribution results in diminishing the volume of wholesale and retail sales of commodities in the State, and the total cost of distribution, equals the profit of regular dealers and merchants: Therefore be it

*Resolved by the senate (the house of representatives concurring),* That we memorialize the Congress of the United States to enact such measures as will correct these objections and that direct grants be made to the States for the purchase of such commodities of such kind and quality as are most adapted and suitable to the needs of such recipients, and that such commodities be distributed to persons found eligible and in need through regular commercial channels of trade by the issuance of purchase orders upon merchants and business establishments operating in South Dakota and offering for sale at points of consumption such commodities.

#### To the Committee on Finance:

##### Senate Concurrent Resolution 7

Concurrent resolution memorializing the Congress of the United States of America to discuss and give full consideration to General Welfare Act (H. R. 2)

Whereas people of South Dakota have expressed the need for the passage of General Welfare Act (H. R. 2), which seeks to provide for and promote the general welfare of the United States by supplying to the people a more liberal distribution and increase of purchasing power, retiring certain citizens from gainful employment, and alleviating the hazards and insecurity of old age and unemployment, and to provide a method whereby citizens shall contribute to the purchase of and receive a retirement annuity, and to provide for the raising of the necessary revenue to operate a continuing plan thereof; and be it

*Resolved by the Legislature of the State of South Dakota, That—* Whereas General Welfare Act (H. R. 2) has heretofore been introduced into the Congress of the United States in an attempt to effectuate such proposals; and

Whereas the said Congress of the United States has failed to give such General Welfare Act (H. R. 2) the consideration to which the same is entitled: Therefore be it

*Resolved,* That the Congress of the United States be, and it is hereby, urged to use its best efforts to bring General Welfare Act (H. R. 2) forth for due and full consideration and discussion; be it further

*Resolved,* That copies of this resolution be sent to our Senators and Representatives in Congress, to the President of the United States, and the Speaker of the House of Representatives in the Congress of the United States.

#### To the Committee on Indian Affairs:

##### Senate Concurrent Resolution 5

Concurrent resolution memorializing the Congress of the United States of America to continue the appropriation contained in the Hayden-Cartwright Act for the construction and maintenance of highways within Indian reservations.

*Be it resolved by the Senate of the twenty-sixth legislative session of the State of South Dakota (the house of representatives concurring):*

Whereas the Congress of the United States previously appropriated \$4,000,000 for allotment to the Indian reservations of the United States for the purpose of construction and maintenance of highways within and upon such reservation; and

Whereas such allotment and appropriation was made by virtue of the Hayden-Cartwright Act of the Congress of the United States, and which appropriation at the last session of Congress was decreased to \$3,000,000; and

Whereas the condition of the roads and highways within and upon the Indian reservations situated in South Dakota is deplorable and unsatisfactory; and

Whereas additional construction, reconstruction, and maintenance would be of great assistance and accomplish necessary results for transportation purposes within such reservations: Now, therefore, be it

*Resolved,* That the Congress of the United States continue the allocation and appropriation of moneys in the Hayden-Cartwright

Act to Indian reservations in the United States to the extent of the \$4,000,000 previously so allocated and appropriated; be it further

*Resolved,* That the Members of the Congress of the United States from the State of South Dakota be, and they are hereby, urged to use their best efforts to bring about the reinstatement of the \$4,000,000 allocation and appropriation for construction and maintenance of such highways; be it further

*Resolved,* That certified copies of this resolution be forwarded by the secretary of state immediately upon adoption of this resolution to each Senator and Representative of the State of South Dakota in the Congress of the United States, to be by them presented to the proper committee in Congress determining such aforesaid legislation.

#### To the Committee on the Judiciary:

##### Senate Concurrent Resolution 6

Concurrent resolution memorializing the United States Senate to carefully scrutinize and investigate the qualifications of nominees to be confirmed for judicial positions

*Be it resolved by the Senate of the State of South Dakota (the house of representatives concurring):*

Whereas the twenty-fifth session of the legislature of this State did by appropriate resolution record its opposition to the then pending bill before Congress, the object of which proposed law was to subjugate and intimidate the judicial department of the Federal Government; and

Whereas as a result of the courageous and patriotic action of a majority of the Members of the United States Senate, the independence of the judiciary, which is the only safeguard to individual rights and liberties, was for the present preserved; and

Whereas numerous nominees are about to be submitted to the United States Senate for confirmation for positions as judges of our Federal courts, and such personnel should consist of only such men as are believers in and committed to the preservation of the independence of the three coordinate branches of the Government—the keystone of American democracy: Therefore be it

*Resolved by the Senate of the State of South Dakota (the house of representatives concurring),* That we urge and earnestly request the members of the United States Senate to carefully investigate and rigidly scrutinize all nominees for judicial positions to the end that our courts may be composed of men whose sympathies and views conform to the principles and traditions of American democracy, to wit, independent, coordinate divisions of our Federal Government.

That a copy of this resolution be mailed to each Senator and Member of Congress from the State.

#### To the Committee on Post Offices and Post Roads:

##### Senate Concurrent Resolution 9

Concurrent resolution petitioning the Postmaster General at Washington, D. C., to bring about the issuance of a stamp commemorating the fiftieth anniversary of statehood

*Be it resolved by the Senate of the twenty-sixth legislative session of the State of South Dakota (the house of representatives concurring):*

Whereas this year 1939 is the fiftieth anniversary of statehood of the State of South Dakota; and

Whereas it is customary for the United States of America to mark such periods of history by issuing a stamp commemorating the attainment of the fiftieth anniversary of statehood; and

Whereas the nationally historic figures carved on Mount Rushmore in the Black Hills of South Dakota are especially adaptable and appropriate as a subject for engraving such stamp; and

Whereas that this request may be placed in permanent historic records in the archives of history as part of the official record of this legislative body: Be it

*Resolved by the Senate of the State of South Dakota (the house of representatives concurring),* That approval of this above consideration be recorded; and be it further

*Resolved,* That we hereby petition the Postmaster General at Washington, D. C., to bring his influence to bear in uniting with us to bring about an issuance of a stamp commemorating this statehood event, bearing an engraving of the figures on Mount Rushmore in the Black Hills of South Dakota.

That a copy of this resolution be mailed to the Postmaster General at Washington, D. C., and to each Senator and Member of Congress from the State.

#### TOWNSEND OLD-AGE PENSION PLAN—PETITION

Mr. MURRAY. Mr. President, I send to the desk a petition submitted by Townsend Club No. 1, of Miles City, Mont., calling for the enactment of the Townsend plan for old-age pensions by the Congress of the United States.

It is represented that this petition is signed by 98 percent of the people of the Miles City community.

I ask that it be referred to the Finance Committee, where this proposed legislation is now pending.

The VICE PRESIDENT. The petition presented by the Senator from Montana will be received and referred to the Committee on Finance.

## REPORTS OF COMMITTEES

Mr. THOMAS of Oklahoma, from the Committee on Indian Affairs, to which were referred the following bills, reported them severally without amendment and submitted reports thereon:

S. 539. A bill for the relief of Charles E. Naghel, special disbursing agent, Department of the Interior, and Kammeyer & Medack, contractors, from disallowance of charges for additional work under a construction contract (Rept. No. 81);

S. 783. A bill to amend the act, as amended, entitled "An act to refer the claims of the Delaware Indians to the Court of Claims, with the right of appeal to the Supreme Court of the United States," approved February 7, 1925 (Rept. No. 94);

S. 784. A bill for the relief of certain Indians of the Winnebago Agency, Nebr. (Rept. No. 95);

S. 790. A bill conferring jurisdiction upon the Court of Claims to hear and determine the claims of the Prairie Band or Tribe of Pottawatomie Indians of Kansas and Wisconsin against the United States (Rept. No. 96); and

S. 863. A bill to provide for the payment of attorneys' fees from Osage tribal funds (Rept. No. 82).

Mr. CHAVEZ, from the Committee on Indian Affairs, to which was referred the bill (S. 1476) to authorize an appropriation to pay non-Indian claimants whose claims have been extinguished under the act of June 7, 1924, but who have been found entitled to awards under said act as supplemented by the act of May 31, 1933, reported it with amendments and submitted a report (No. 83) thereon.

He also, from the same committee, to which was referred the bill (S. 875) for the relief of Andrew J. Crockett and Walter Crockett, reported it without amendment and submitted a report (No. 97) thereon.

Mr. HUGHES, from the Committee on Claims, to which was referred the bill (S. 754) for the relief of J. G. Mayfield, reported it without amendment and submitted a report (No. 84) thereon.

He also, from the same committee, to which was referred the bill (S. 10) for the relief of the Fred Harvey Transportation Department, reported it with an amendment and submitted a report (No. 85) thereon.

He also, from the Committee on the District of Columbia, to which was referred the bill (S. 794) relating to banking, banks, and trust companies in the District of Columbia, and for other purposes, reported it without amendment and submitted a report (No. 92) thereon.

Mr. WILEY, from the Committee on Claims, to which were referred the following bills, reported them each with amendments and submitted reports thereon:

S. 911. A bill for the relief of Roscoe C. Prescott (Rept. No. 86); and

S. 1174. A bill for the relief of Alex St. Louis (Rept. No. 87).

Mr. TOBEY, from the Committee on Claims, to which was referred the bill (S. 11) for the relief of Hubert H. Clark, reported it with amendments and submitted a report (No. 88) thereon.

Mr. BROWN, from the Committee on Claims, to which was referred the bill (S. 749) for the relief of Harry F. Baker, reported it without amendment and submitted a report (No. 89) thereon.

Mr. LOGAN, from the Committee on Claims, to which was referred the bill (S. 1253) for the relief of John B. Dow, reported it without amendment and submitted a report (No. 90) thereon.

He also, from the same committee, to which was referred the bill (S. 1374) for the relief of Cohen, Goldman & Co., Inc., reported it with an amendment and submitted a report (No. 91) thereon.

Mr. PITTMAN, from the Committee on Foreign Relations, to which was referred the bill (S. 1523) to authorize the payment of burial expenses and expenses in connection with last illness and death of native employees who die while serving in offices abroad of executive departments of the United States Government, reported it without amendment and submitted a report (No. 93) thereon.

## EXECUTIVE REPORTS OF COMMITTEES

As in executive session,

Mr. MCKELLAR, from the Committee on Post Offices and Post Roads, reported favorably the nominations of sundry postmasters.

Mr. GILLETTE, from the Committee on Foreign Relations, reported favorably, without reservation, Executive C, Seventy-sixth Congress, first session, a protocol signed in London on June 24, 1938, amending the international agreement for the regulation of whaling signed in London on June 8, 1937, and submitted a report (Exec. Rept. 1) thereon.

The VICE PRESIDENT. The reports will be placed on the Executive Calendar.

## BILLS AND JOINT RESOLUTIONS INTRODUCED

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

By Mr. ASHURST:

S. 1545 (by request). A bill to repeal the prohibition against the filling of a vacancy in the office of district judge for the southern district of New York; to the Committee on the Judiciary.

By Mr. McNARY:

S. 1546. A bill to provide that moneys received from the national forests and paid to the States for the benefit of the counties in which such forests are situated may be expended for purposes other than public schools and public roads; to the Committee on Agriculture and Forestry.

S. 1547. A bill to correct the military record of William T. Dickson; to the Committee on Military Affairs.

S. 1548. A bill granting an increase of pension to Carrie Gibbon; and

S. 1549. A bill granting an increase of pension to Willmette J. Miller; to the Committee on Pensions.

(Mr. LOGAN introduced Senate bill 1550, which was referred to the Committee on Education and Labor, and appears under a separate heading.)

By Mr. THOMAS of Oklahoma:

S. 1551. A bill for the relief of John Shook; to the Committee on Claims.

By Mr. LODGE:

S. 1552. A bill for the relief of Manuel G. Baptista; to the Committee on Claims.

By Mr. HERRING:

S. 1553. A bill for the relief of the Guttenberg State Bank of Guttenberg, Iowa; to the Committee on Claims.

By Mr. CLARK of Idaho:

S. 1554. A bill to provide that the district judge for the western district of Washington, authorized to be appointed under the act of May 31, 1938, shall be a district judge for the eastern and western districts of Washington; to the Committee on the Judiciary.

By Mr. NEELY:

S. 1555. A bill to extend the time in which applications may be made for the benefits of the Disabled Emergency Officers' Retirement Act of May 24, 1928; to the Committee on Military Affairs.

By Mr. SHIPSTEAD:

S. 1556. A bill to authorize the coinage of 50-cent pieces in commemoration of the discovery of America by Leif Ericson in connection with the national Leif Ericson celebration to be held at Minneapolis and St. Paul, Minn., on June 10-13, 1939; to the Committee on Banking and Currency.

S. 1557. A bill to provide for, foster, and aid in coordinating research relating to epilepsy and other allied nervous disorders; to the Committee on Commerce.

By Mr. HATCH:

S. 1558. A bill to provide for granting to the State of New Mexico an easement with respect to certain lands in New Mexico; to the Committee on Public Lands and Surveys.

By Mr. BONE:

S. 1559. A bill for the relief of St. Luke's General Hospital, Dr. Carl C. Hills, Dr. Walter C. Moren, Dr. Carl M. Erb, Margaret Findlay, Anna M. Findlay, Dr. J. Reid Morrison, and the Owl Drug Co.; to the Committee on Claims.

By Mr. TYDINGS:

S. 1560. A bill for the relief of Amos B. Cole; and

S. 1561 (by request). A bill to provide shorter hours of duty for members of the Fire Department of the District of Columbia; to the Committee on the District of Columbia.

S. 1562. A bill to provide for the acquisition, and preservation as a museum, of the Stephen Decatur house in the District of Columbia; to the Committee on Public Buildings and Grounds.

By Mr. ANDREWS:

S. 1563 (by request). A bill to provide payment of pensions and increase in pensions to all veterans in all wars, their widows and dependents, and certain peacetime soldiers; to the Committee on Finance.

By Mr. SHIPSTEAD:

S. J. Res. 77. Joint resolution authorizing the President to proclaim the year 1939 as See America Year; to the Committee on Foreign Relations.

By Mr. McKELLAR:

S. J. Res. 78. Joint resolution to provide for the disposition of commodities, securing loans made by the Commodity Credit Corporation; to the Committee on Banking and Currency.

#### NATIONAL LABOR RELATIONS ACT—AGRICULTURAL LABOR

MR. LOGAN. Mr. President, I introduce a bill to amend the National Labor Relations Act, to define agricultural labor. I do not know whether the bill should be referred to the Committee on Agriculture and Forestry or to the Committee on Education and Labor. I thought, perhaps, as it deals with agricultural labor, it should go to the Committee on Agriculture and Forestry.

I ask unanimous consent that the bill may be printed in the RECORD as part of my remarks, to be followed by a statement explaining the provisions of the proposed amendment to the law, and also a list of the farm organizations of the United States which have endorsed the bill.

The VICE PRESIDENT. The bill will be received and appropriately referred, and, without objection, will, together with the explanatory statement and list, be printed in the RECORD.

The bill (S. 1550) to amend the National Labor Relations Act (Public Law No. 198, 74th Cong., approved July 5, 1935, 49 Stat. 449), to define agricultural labor, was read twice by its title, referred to the Committee on Education and Labor, and ordered to be printed in the RECORD, as follows:

*Be it enacted, etc.,* That section 2 (3) of the National Labor Relations Act be amended by adding at the end thereof the following paragraph:

"The term 'any individual employed as an agricultural laborer' shall include any person engaged as an employee in farming in all its branches and among other things includes the cultivation and tillage of the soil, dairying, the production, cultivation, growing, and harvesting of any and all agricultural or horticultural commodities (including commodities defined as agricultural commodities in section 15 (g) of the Agricultural Marketing Act, as amended, and including cutting, removal, and transportation of logs, pulp wood, fence posts, fuel wood, and other primary products of farm wood lots, including the sawing of lumber from the timber of such wood lots by the farmer or by contract in which the farmer retains title to the lumber), the raising of livestock, bees, game, fur-bearing animals, or poultry, eggs, and any practices performed by or for a farmer or on a farm as an incident to or in connection with such farming operations, including preparation for market, delivery to storage or to market, or to carriers for transportation to market; and shall also include any person engaged as an employee in connection with or incidental to the (1) cleaning, or otherwise preparing in their raw or natural state, precooking, freezing, drying, grading, packing, canning for market from their raw or natural state, of fresh fruits and vegetables; (2) ginning or compressing of cotton; (3) stripping, grading, drying, packing, stemming or fermenting of tobacco; (4) straining, packing, separating, or otherwise preparing in its raw or natural state of honey; (5) drying, grading, baling of forage, fiber, and miscellaneous crops; (6) cleaning, packing, grading, hulling, or polishing of grains, beans, peas of all kinds, and seeds; (7) cooling, freezing, separating, packing, pasteurizing, or preparing of milk and cream; (8) making, preparing, or packing of butter, whey, and other dairy products for market; (9) receiving, grading, candling, and packing of eggs; (10) hatching of poultry, game birds, and wild fowl; (11) grading or packing of nursery and other horticultural crops; (12) shearing, grading, bagging of grease wool, mohair, and rabbit fur for market; (13) cleaning, grading,

preparing, and packing of nuts for market; (14) grading, local concentration, purchase, and sale of livestock for the producer; (15) drying, grading, packing, or preparing other agricultural or horticultural commodities in their raw or natural state; and such handling, storing, or refrigeration of any such commodities (but not including terminal storage or refrigeration) as is incidental thereto or used in connection therewith; when any of such operations are performed within the general territory in any region of the United States where the farming district or districts are located from which such commodity is produced and within or in close proximity to any such farming district; or at such place in the general territory in proximity to such farming district, where such commodity is produced (but outside of the 22 leading centers of distribution as listed by the United States Department of Agriculture except as to the purchase and sale of livestock) as is necessary to obtain reasonably available and adequate transportation, water, power, or other required operating facilities; and such operations are performed on products produced from any farming district within the same general territory."

The explanatory statement presented by Mr. LOGAN and the list of farm organizations, and so forth, are as follows:

#### STATEMENT SHOWING NEED FOR AMENDMENT OF NATIONAL LABOR RELATIONS ACT, DEFINING "AGRICULTURAL LABOR" IN SECTION 2 (3)

##### 1. AGRICULTURE IS UNITED IN THIS REQUEST

The request to amend the National Labor Relations Act is made by the National Cooperative Council, National Cooperative Milk Producers Federation, American Farm Bureau Federation, National Grange, Agricultural Producers Labor Committee, numerous cooperative producing groups throughout the Nation, as well as by numerous commodity groups representing the producers of tobacco, cotton, livestock, fresh fruits and vegetables, honey, nuts, poultry and its products, eggs, grains, beans, seeds, forage and miscellaneous crops in all parts of the United States.

##### 2. PRESENT PROVISIONS OF STATUTE

a. Section 2 (3) of the National Labor Relations Act provides that it shall not apply to "any individual employed as an agricultural laborer." The act, however, contains no definition of that term.

##### 3. HOW QUESTION ARISES

A dispute has arisen in many States between the National Labor Relations Board and the farmers over what constitutes agricultural labor. In California and Arizona, for example, the farmers have been and are now subjected to the activities of the Fruit and Vegetable Workers, a local of the United Cannery, Agricultural, Packing, and Allied Workers of America, a C. I. O. union (and its other locals and predecessor organizations). Involved in these disputes in California have also been the citrus packing house workers' unions, originally chartered under the A. F. of L. but whose membership have in many instances transferred to the C. I. O. locals. The same organization has been active in Colorado, New Jersey, Florida, and Texas.

This union, with the direct backing of the C. I. O., has now set out to organize all types of agricultural or horticultural workers for the purpose of controlling the food supply of the Nation. This union contends that no labor, except that actually used in cultivation work in the fields, is agricultural. Agents for the National Labor Relations Board have for many months refused to state their position with reference to such labor and that used to pick fruit or harvest the crops and the Board is supporting the union in its contention that labor used to wash, grade, and pack oranges owned by the farmers in their own cooperative packing house located near their groves, is not agricultural labor. Under this ruling labor used in ginning cotton, stripping and packing tobacco, preparing any fruits or vegetables in their raw or natural state, and much of the labor used in the necessary preparation of other farm crops, would be held not to be agricultural in nature. This work is traditionally and actually agricultural in nature and is intimately connected with the production and harvest of the crops. The issue is squarely presented whether the United States Government should use its police power, through the National Labor Relations Board, and its agents, as is now being done, to assist the U. C. A. P. A. W. A. or any like organization in its efforts to dominate the farmers' labor, and gain control of the sources of the food supply of the Nation, when Congress in passing the act specifically exempted agricultural laborers from its provisions. The farmers contend that conditions over which they have no control make such regulation inadvisable if not impossible.

##### 4. NEED FOR CLARIFICATION BY AMENDMENT

(a) In July 1937 the National Labor Relations Board was requested by agricultural groups to issue a regulation under section 6 (a) of the act defining agricultural labor. The Board has refused to issue such a regulation. The refusal of the Board's agents to state its policy with reference to field and harvesting labor tends to lend the support of the Board to the claims of the labor organizers that such labor is not agricultural. The Board's decision hereafter referred to that labor used to pack farmers' crops before they can be marketed is not agricultural labor would, if such labor should strike or refuse to handle crops harvested by other than union labor, effectively bottle up the farmers' crops, with great loss to the farmers.

(b) The issue of what constitutes agricultural labor has been presented to the Board in five cases.

It is significant to note that in a memorandum written for the the Board prior to the trial of the first case, entitled "In the Matter of the North Whittier Heights Citrus Association," and filed as an exhibit in that case, it was determined that agricultural labor should be limited to the "cultivation and tillage of the soil, the feeding and caring for livestock." The Board is apparently determined to follow this narrow and antiquated concept of agriculture, regardless of what the evidence shows. The blending of the policies of the National Labor Relations Board with the policies of certain labor groups as those policies affect agriculture is strikingly coincidental, if nothing more.

The case in the Matter of North Whittier Heights Citrus Association, No. C-360, was filed in September 1937 and tried October 1937. The issue raised in that case was whether the persons employed in washing, grading, and packing of oranges and grapefruit in a cooperatively owned packing house situated near the groves from which the fruit was produced, and owned entirely by the farmers and handling the fruit of its members only in its raw or natural state, were agricultural laborers.

The Board has just filed its findings and order (more than 16 months after the complaint was filed) holding this labor not agricultural labor within the meaning of the act. The same issue has recently been presented in two other cases involving the same type of organization and labor relating to transactions occurring in August and September 1937; neither of these cases has been decided by the Board. These cases are in the Matter of the Sierra Madre Lamanda Citrus Association et al., No. XXI-C-404, and in the Matter of the Upland Citrus Association, No. XXI-C-360.

These cases also raise the issue whether (1) the discharge of a number of the employees, including some union members, during the slack season because of a lack of available fruit to pack, or the failure to reemploy all the same persons, when the work picked up as the fruit ripened, or (2) the failure to reemploy all the persons on the pay roll during the previous season (after the packing house had been closed for months), or (3) employment of new persons at opening of new season, in place of some old employees, or (4) the failure to evenly distribute the available work among employees, or (5) the employment of the farmers themselves in place of union members for part of the season, all of which are circumstances contended by the farmers to have occurred because of the seasonal and hazardous nature of agricultural operations, constitute unfair labor practices within the meaning of the act, and the Board has ruled that they do and ordered reinstatement with back pay to a large number of such persons. Under the Board's rulings it would be impossible to carry on agricultural operations, with their constant varying demands, without always being subjected to the contention (whether made in good faith or not) that any change in the number of employees, or in the nature or extent of their work, was done because of union activity rather than because of changes in crop conditions or volume of the commodity to be handled. In the Sierra case the Board, in effect, set aside a valid and legal contract in order to hold that an unfair labor practice had occurred and the labor was not agricultural in nature.

The findings of the Board in the North Whittier Heights case and the findings of the trial examiner in the Sierra case demonstrate that the mere fact members of the union may be discharged or not reemployed may be, in and of itself, sufficient evidence for the Board to find that an unfair labor practice has occurred. In the handling of these perishable crops variation in weather conditions require quick and extensive changes in methods and plans, which may create opportunity for persons so inclined to contend that such changes constitute unfair labor practices. By methods best known to the Board and its agents an investigation is made by the Board; a complaint is then filed by the Board against the farmers; the Board selects and pays for the trial examiner; the Board, through its paid agents, appears and prosecutes the case, introducing the evidence it has previously selected; the farmers must appear and defend the proceeding at great cost to themselves; the Board then, either through its trial examiner or its review section, makes its findings and order which in the cases above mentioned was based upon the evidence introduced by the Board, and the findings discounted all the evidence introduced by the farmers showing why such persons were discharged or not reemployed. The only remedy the farmer then has is an expensive proceeding for review before the United States Circuit Court of Appeals. This is a kind of justice the farmers don't understand. When this ruinous situation was called to the attention of one of the Board's regional directors the answer was that it was part of the great leveling out process.

(c) In another case entitled "In the Matter of American Fruit Growers, Inc.," XXI-R-483-510, arising in Phoenix, Ariz., the Board ruled that labor used in packing lettuce in its raw or natural state in a packing shed owned by the grower located on a nearby railroad siding, even when the labor was employed and paid for by the farmer who grew the lettuce, is not agricultural labor. The Supreme Court of Arizona, in the case of *Melendez v. Johns* (76 Pac. (2d) 1163), had previously held labor of this kind to be agricultural in nature.

(d) In the case entitled "In the Matter of the Growers-Shippers Vegetable Association et al.," the issue was presented whether the labor used in packing lettuce grown in Salinas Valley, Calif., employed and paid for by the farmer who grew the lettuce was agricultural in nature. The alleged unfair labor practices involved in that case grew out of the lettuce strike called during the harvesting season of the highly perishable crop by the Agricultural Workers' Industrial Union, Local 18211, a communistic-controlled

organization (vol. 1, p. 99, U. A. R.). The case was tried in May 1936, but the Board has failed to pass upon the issue up to this time.

#### 5. LABOR USED IN THESE CASES IS CLEARLY AGRICULTURAL LABOR

In each of these cases the uncontradicted evidence showed that the work done in the packing house was previously done by the farmer on the farm as an incident to the growing and harvesting of his crops. In the three citrus cases a number of small farmers had combined into a cooperative citrus association in order to insure uniformity of grading and to reduce the pro rata costs of this work to the farmers. The individual farmer could not afford to install an individual packing house on his own ranch. In the lettuce cases the growers were packing their own products in their own sheds. The laws of the State and good commercial practice require that fruit and vegetables be properly washed, graded, and packed before they are sold, and the farmer cannot realize anything for his product until it is so packed. The packing houses are not separate commercial ventures in which the farmers are engaging, but they are an integral and necessary part of the producing and harvesting of their crops. The individual farmer's investment in the packing house is only about 4 percent of the investment in their respective groves.

The cooperative association is the agent of the grower in doing the picking, washing, and packing of the fruit, and merely holds legal title to the fruit so that it may be handled for the account of the farmer. From the funds received from the sale of the fruit is deducted the actual operating costs, including the labor costs, and the balance is paid pro rata to the farmers. The labor is thus paid by funds belonging to the farmer. In these three citrus cases the packing house only picks, washes, grades, and packs the fruit. The selling is done entirely by a separate organization.

The oranges, grapefruit, or lemons are merely picked, washed, graded, and packed, and when the work is complete the fruit is still in its raw or natural state. The fruit of all the members is pooled together, but the identity of the farmer's fruit is retained in the pool. The affairs of the association are conducted by a board of directors selected by the farmers from their own number. There is a general practice for the male labor used in the packing house during the packing season to be interchanged and used on the farm at other times. The packing-house activities have always been considered as agricultural in nature, and the term "agricultural labor" has a general and accepted meaning among the farmers to include these workers.

#### 6. CONGRESS HAS ALREADY HELD SUCH LABOR AGRICULTURAL

The Congress has already held the labor of a nature involved in these cases and covered by the suggested amendment to be agricultural in nature. Section 3 (f) of the Fair Labor Standards Act, in defining "agriculture" (which under 13 (a) (6) is exempt from the provisions of that act) covered the "cultivation, growing, and harvesting of any agricultural or horticultural commodities" and "any practices performed by the farmer or on the farm as an incident to or in conjunction with such farming operations, including preparation for market." In the cases before the Board the product is obviously being prepared by the farmer for market, but the Board has taken the position that because the farmers have grouped together in a cooperative association, the work is not done by the farmer. Furthermore, the provisions now found in 13 (a) (10) of the Fair Labor Standards Act covering the handling, packing, storing, ginning, compressing, pasteurizing, drying, preparing in their raw or natural state, or canning of any agricultural or horticultural commodity for market, or in making cheese, butter, or other dairy products within the area of production, passed both the Senate and the House, as a part of the definition of "agriculture" (vol. 81, pt. 7, p. 7876-C. R.; vol. 83, pt. 7, p. 7401, C. R.). However, as a matter of final draftsmanship, while the bill was before the conferees, the definition of "agriculture" was divided into two sections, and the part now in 3 (f) was left under section 2 of the act which is the "definition" section but referred to and exempted under section 13 (a) (6), while the other part now found in 13 (a) (10) was directly embodied in the exemption section. Mere change in form due to draftsmanship did not change the intent of Congress, however, in passing both as a part of the definition of agriculture. The National Labor Relations Board refuses to follow this congressional definition. The suggested amendment to the National Labor Relations Act is narrower than that contained in the Fair Labor Standards Act.

#### 7. AN ANALYSIS OF THE SUGGESTED AMENDMENT

(a) The amendment is designed to exempt only the operations carried on in the districts where the farms are located from which the crops are produced or at points in proximity to such districts (but outside the major distributing centers), where reasonable available and adequate operating facilities are found for preparing the crops. This is clearly set forth in the last 13 lines of the amendment.

(b) The operations exempted are those intimately connected with the harvesting of the crops and which are generally considered to be agricultural in nature.

The first 16 lines of the amendment cover the operations done on the farm or by or for a farmer in connection with or incidental to the farming operations. These are practically the same exemptions as found in 3 (f) of the Fair Labor Standards Act.

The operations contained in subsections 1 to 15, inclusive, cover those operations done off the farm but within close proximity to the farming district which are first necessary to put the product in

shape for marketing. These exemptions are narrower than those found in section 13 (a) (10) of the Fair Labor Standards Act of 1938.

In subsection (1) of the proposed amendment to define agricultural labor the operations are limited to the preparation in their raw or natural state, drying, freezing, and canning for market from their raw or natural state of fresh fruits and vegetables. This does not cover any processing except that necessary in the canning of the products as they come from the farm, and does not cover recanning and many other operations that are carried on with reference to fresh fruits and vegetables but which change the character of the product and are not so intimately related to the harvesting operations. The first canning of these highly seasonal and perishable crops as they come from the farm during the harvesting season by canning establishments located in the farming districts directly affects the farmers' income from these crops and offer the only market for large quantities of such crops.

Subsection (2) is limited to ginning and compressing cotton. Cotton gins are usually located in the rural areas near the farms and are highly seasonal in operations and employ labor engaged in other seasons of the year in other farm work. Compressing operations are limited in extent.

Subsection (3) is limited to those operations normally done in preparing the tobacco before it is turned over to the tobacco companies.

Subsection (4) relates to the handling of honey in its raw or natural state only.

Subsection (5) is limited to those things done with forage, fiber, or miscellaneous crops before they enter commercial channels.

Subsection (6) is likewise related to those operations on grains, beans, or peas of all kinds and seeds necessary to prepare them for the market in their raw or natural state before they enter the channels of trade.

Subsections (7) and (8) cover certain operations in the handling of milk, cream, and of making butter, whey, and other dairy products as are necessary to prepare the farmer's products for movement into the channels of trade.

Subsection (9) covers merely the receiving, grading, and packing of eggs.

Subsection (10) covers only hatching operations of poultry, game birds, and wild fowls.

Subsection (11) covers merely the grading and packing of nursery and other horticultural stock.

Subsection (12) covers merely the shearing, grading, and bagging of animal fibers.

Subsection (13) covers only cleaning, grading, and packing of nuts in their raw or natural state.

Subsection (14) covers only the grading, local concentration, and purchase and sale of livestock for the producer. The clause "purchase and sale" covers only the persons involved in buying and selling of the livestock. This is the same class of persons exempted under the Fair Labor Standards Act as salesmen. No slaughtering or meat-packing operators are within the exemption.

Subsection (15) covers only the preparing in their raw or natural state of other agricultural or horticultural commodities.

In all cases the amendment exempts only such handling, storing, or refrigeration as is incidental to the operations specifically exempted in any of the subsections 1 to 15, inclusive.

#### 8. THERE IS NO NEED FOR REGULATION OF AGRICULTURAL LABOR UNDER THE NATIONAL LABOR RELATIONS ACT

There is not found in agriculture the same strife between the employer and employee as is found in great industrial operations. The reasons for lack of labor strife in farm operations are many. Agricultural labor does not live under the same conditions as industrial labor. Living in smaller communities and upon farms, they have a higher standard of living, with cheaper rents, light, heat, and civic costs.

The habits and customs of agriculture of necessity have been different than those of industry. The farmers and workers are thrown in close daily contact with one another. They, in many cases, eat at a common table. Their children attend the same school. Their families bow together in religious worship. They discuss together the common problems of our economic and political life. The farmer, his family, and the laborers' work together as one unit. In the times of stress, in the handling of livestock or perishable agricultural commodities, of impending storms, of pest infestation and control, of livestock epidemics, and at many other times the farmer and laborer must stand shoulder to shoulder against the common enemy. This develops a unity of interest which is not found in industry. This unity is more effective to remove labor disturbances than any law can be.

These habits and customs of agriculture should not be disturbed by regulations designed for industry. Such an attempt would violently dislocate the entire structure of agriculture. Agriculture does not fit into the mechanized operations and regulations necessary to industry and any such attempt will produce far greater problems than now exist. The time of the largest employment of agricultural labor is during harvesting seasons and at that time when only a slight delay may cause a ruin of the entire year's work, there is no time for the farmer to stop and bargain with union representatives. The farmer is at enough disadvantage in dealing with labor at that time, without having the Labor Board as a proponent of the union, threaten him with the filing of a complaint, hearings, fines, and orders.

Agricultural labor is seasonal, widely scattered, closely connected with the family of the farmer, and unskilled.

A comparison of the number of farmers employing labor with the number of laborers employed by such farmers, shows that equality of bargaining power already exists, as there are as many employers as employees. Forty percent of the population of these United States live and obtain their livelihood within rural areas. There are 33,000,000 persons actually living upon the 6,000,000 farms of the country. Ten and one-half million of this farm population consists of those engaged in productive operations of these farms. Out of this number, for each person whose only direct interest is that of a wage earner, there are three persons who contribute both capital and labor to these productive operations (Social Security Bulletin, vol. 1, No. 6, p. 19). The need for collective bargaining does not exist where one employer has to deal with only one or two employees. There is no mass hiring of labor in agriculture such as is found in industrial operations, and where mass hiring does not take place, there is not likely to be any discrimination in regard to hire or tenure of employment. Where a few persons are employed on a farm or in a packing shed handling farm products in rural communities there is very little likelihood of any labor dispute arising which needs collective bargaining as a means of settlement. In the cooperative packing houses where a number of farmers combine to have their work done together, there are usually about two employees for each farmer member, many of which employees are farmers or connected with the farmer's family.

#### 9. REFERENCE TO THE NATURE OF U. C. A. P. A. W. A.

For a statement of evidence showing the communistic character of the United Cannery, Agricultural, Packing and Allied Workers of America Union, a C. I. O. affiliate, reference is made to volume 1, page 99, and volume 3, pages 1969, 1998, 2184, of the Investigation of Un-American Propaganda Activities in the United States, hereafter referred to as Un-American activities report for short. For evidence showing the communistic activities of Donald Henderson, president of the union, see volume 1, pages 99, 872, 886, 901, 922; volume 3, page 2177; and volume 1, page 457, U. A. R.; for evidence of the communistic activities of George Wolfe, its international vice president, see volume 1, pages 100 and 125, U. A. R.; for evidence showing the communistic activities of Lief Dahl, the organizer for New Jersey, see volume 1, page 100, U. A. R.; for evidence showing the communistic activities of Jose Hernandez, Marcella Ryan, Jack Beralla, and Pat Callahan, Pacific coast organizers, see volume 1, pages 131-132, U. A. R.

Of course, the efforts of such an organization as the United Cannery, Agricultural, Packing and Allied Workers of America, its officers and organizers, to control the food supplies through a control of agricultural labor is opposed by the farmers. The real issue is not the wage or working conditions of the laborers. The real issue is one of gaining control of the food supplies at their source, even though the farmers' crops are destroyed. With this type of organization fomenting trouble and producing the evidence, and with the National Labor Relations Board supporting the union in its contentions, agriculture faces a grave, immediate, nationwide crisis. The farmers are fighting to save their farms against this insidious, ruinous procedure.

The Communist Party is exceedingly frank in its aims regarding agriculture. They say:

"We have nothing to hide. We are merely carrying out the details of a program prescribed by the Communist International to unseat the existing system of government and substitute a control similar in principle and operation to that of Soviet Russia. The workers no longer believe in the advice handed out by William Green, the head of the A. F. L., that they should not strike at a crisis because public sentiment would be against them. \* \* \* This illustrates the reason we follow the California crops." (Vol. 4, p. 1954, U. A. R.)

#### 10. WILL INCREASE AGRICULTURAL COSTS

To bring agriculture under the jurisdiction of the National Labor Relations Board will directly or indirectly increase labor cost to agriculture. The increased cost will arise either from inefficiency, direct wage increases, or loss of crops by strike, or through labor jurisdictional disputes. No valid labor strife now exists in the agricultural field, but experience has shown that such strife is likely to arise if certain labor organizers, supported by the agencies of the National Labor Relations Board, set out to gain control of agricultural labor and agricultural production.

Under the depressed price structure of agricultural commodities, any added labor costs cannot be passed on to the consumer, but must be borne by the farmer and will further reduce his purchasing power. It has long been recognized that buying power of the American farmer is far below the parity of income required for his survival. Agriculture is subject to the vagaries of nature and has no effective control over the price of its products.

Agriculture cannot effectively compete for its fair share of national income. It is subject to the control of supply and demand. Industry generally can regulate its supply to demand. Through the additional bargaining power given labor under the National Labor Relations Act, labor is now better able to protect its rights. Agriculture is thus required to compete with industry and with labor, both of which are better able to control the supply of that which they sell; consequently agriculture is placed in the position of not being able to maintain its proper place along with other major groups in our modern economic structure. To add to this, the burden of regulation under the National Labor Relations Act will still further increase maladjustments now suffered by agricul-

ture. The national buying power is not increased by taking money from the farmer and giving it to the laborer. Such process merely penalizes the farmer for the benefit of labor.

**LIST OF PERSONS IN ATTENDANCE AT CONFERENCE IN HOTEL RALEIGH, WASHINGTON, D. C., FEBRUARY 9 AND 10, 1939, TO CONSIDER AGRICULTURAL EXEMPTIONS IN FEDERAL WAGE AND HOUR ACT**

E. A. Beamer, Blissfield, Mich., representing National Livestock Marketing Association, Chicago, Ill.  
 N. C. Williamson, president, American Cotton Cooperative Association, 535 Graner Street, New Orleans, La.  
 C. B. Moore, secretary, Western Growers, 1231 East Seventh Street, Los Angeles, Calif.  
 Fred W. Read, California Fruit Exchange, postoffice box 2038, Sacramento, Calif.  
 Ivan G. McDaniel, Agricultural Producers' Labor Committee, 642 Title Insurance Building, Los Angeles, Calif.  
 Leon Todd, secretary, Northeastern Poultry Producers' Council, 1 West State Street, Trenton, N. J.  
 J. A. Burch, Weslaco, Tex., representing Texas Citrus Shippers' Association, Vegetable Shippers' Executive Committee, Texas Rio Grande Valley Citrus Association, Texas Citrus Fruit Growers' Exchange.  
 W. E. Spencer, Agricultural Producers' Labor Committee (California Citrus), Whittier, Calif.  
 Samuel Fraser, International Apple Association, 1108 Mercantile Building, Rochester, N. Y.  
 E. J. Lawless, Jr., Harrisburg (Pa.) Northeastern Federation of Egg and Poultry Cooperatives.  
 Herbert D. Copeland, secretary, National Poultry Producers' Federation, Anacostia, D. C., route 4.  
 Elmer W. Wene, Northeastern Poultry Producers' Council, Vine-land, N. J.  
 Porter Hardy, Jr., Farm Bureau, Churchland, Va.  
 Frank App, president, New Jersey Farm Bureau; president, Northeastern Vegetable Growers' Council, Bridgeton, N. J.  
 H. H. Nuttle, Maryland Farm Bureau, Denton, Md.  
 Hiram W. Woodward, 1210 South Lakewood Avenue, Baltimore, Md., National Cooperative Council.  
 E. G. Grime, Florida Citrus, Lakeland, Fla.  
 C. E. Lindsey, Florida Citrus, Lakeland, Fla.  
 L. P. Kirkland, Florida Citrus, Auburndale, Fla.  
 S. L. Holland, Florida Citrus, Barton, Fla.  
 Muri E. Pace, Florida Citrus, Orlando, Fla.  
 R. W. Blackburn, secretary, A. F. B. F., Chicago, Ill.  
 Hugh F. Hall, A. F. B. F., Munsey Building, Washington, D. C.  
 Donald Kirkpatrick, A. F. B. F., 608 South Dearborn Street, Chicago, Ill.  
 Edward A. O'Neal, president, A. F. B. F., Chicago, Ill.  
 Herbert F. King, New York State Farm Bureau, A. F. B. F., Tru-mansburg, N. Y.  
 Charles W. Holman, secretary, National Cooperative Milk Producers' Federation, 1731 I Street, Washington, D. C.  
 H. D. Allebach, National Producers' Committee of Evaporated Milk, 36 South State Street, Chicago, Ill.  
 W. P. Davis, National Cooperative Milk Producers' Federation, 1731 I Street, Washington, D. C.  
 Hoffman, Interstate Milk Producers Cooperative, Philadelphia, Pa.  
 Fred H. Sexauer, Dairymen's League, National Cooperative Council, New York City.  
 R. J. Anderson, Dairymen's League, National Cooperative Council, New York City.  
 Charles W. Wilson, National Cooperative Dairy Producers' Federation, 1731 Eye Street, Washington, D. C.  
 B. B. Derrick, secretary-treasurer, Maryland and Virginia Milk Producers Association, Inc., Washington, D. C.  
 G. Charles Stone, executive secretary, Maine Potato Growers and Shippers Committee, Inc., Presque Isle, Maine.  
 J. B. Wilson, National Wool Growers Association, Salt Lake City, Utah.  
 Charles M. Kearney, National Beet Growers Association, Morrill, Nebr.  
 C. J. Bourg, 510 Union Trust Building, Washington, D. C. (Rep-resenting American Sugar Cane League, Farmers and Manufacturers Beet Sugar Association.)  
 O. M. Kile, International Baby Chick Association, National Press Building, Washington, D. C.  
 Donald Kane, National Cooperative Council, National Press Building, Washington, D. C.  
 Richard P. White, executive secretary, American Association of Nurserymen, 636 Southern Building, Washington, D. C.

**PROCESSING TAX ON CERTAIN VEGETABLE OILS—AMENDMENT**

Mr. CONNALLY submitted an amendment intended to be proposed by him to the bill (H. R. 3790) relating to the taxation of the compensation of public officers and employees, which was referred to the Committee on Finance and ordered to be printed.

**TRUST INDENTURES AND REGULATION OF SALE OF SECURITIES—AMENDMENT**

Mr. HERRING (for himself and Mr. TOWNSEND) submitted an amendment intended to be proposed by them to

the bill (S. 477) to provide for the regulation of the sale of certain securities in interstate and foreign commerce and through the mails, and the regulation of the trust indentures under which the same are issued, and for other purposes, which was referred to the Committee on Banking and Currency and ordered to be printed.

**AMENDMENT OF AGRICULTURAL ADJUSTMENT ACT—COTTON**

Mr. McKELLAR. I offer an amendment intended to be proposed to the agricultural adjustment bill which was introduced by the Senator from South Carolina [Mr. SMITH], being Senate bill 1303. I ask that the amendment may be printed, printed in the RECORD, and referred to the appropriate committee.

The VICE PRESIDENT. Without objection, it is so ordered.

The amendment was referred to the Committee on Agriculture and Forestry, ordered to be printed, and printed in the RECORD, as follows:

Amendment intended to be proposed by Mr. McKELLAR to the bill (S. 1303) to amend the Agricultural Adjustment Act of 1938, as amended, with respect to cotton: Insert at the proper place in the bill the following:

"That notwithstanding any other provision of law the Commodity Credit Corporation is hereby authorized to dispose of commodities held as security for loans made to producers by allowing the producers to redeem such commodities upon payment of the market value thereof as determined by the Corporation less such amounts as the Corporation may determine as proper compensation to producers for withdrawing the collateral commodities and assisting in the sale of same: *Provided*, No cotton shall be released prior to February 1 nor subsequent to July 1 of any calendar year."

**SEVENTY-FIFTH ANNIVERSARY OF KNIGHTS OF PYTHIAS—ADDRESS BY SENATOR CONNALLY**

[Mr. DAVIS asked and obtained leave to have printed in the RECORD the address delivered by Senator CONNALLY on the occasion of the celebration of the seventy-fifth anniversary of the founding of the Knights of Pythias, which appears in the Appendix.]

**WASHINGTON BIRTHDAY ADDRESS BY SENATOR BYRD AT ALEXANDRIA, VA.**

[Mr. BAILEY asked and obtained leave to have printed in the RECORD the address on George Washington delivered by Senator BYRD on February 22, 1939, before the Alexandria-Washington Masonic Lodge, which appears in the Appendix.]

**ADDRESS BY SENATOR JOHNSON OF COLORADO AT DEMOCRATIC CONVENTION, FLINT, MICH.**

[Mr. BROWN asked and obtained leave to have printed in the RECORD the address delivered by Senator JOHNSON of Colorado at the Democratic convention held in Flint, Mich., last week, which appears in the Appendix.]

**ADDRESS BY O. L. BROWNLEE AT SOUTH DAKOTA LEGISLATIVE DINNER**

[Mr. GURNEY asked and obtained leave to have printed in the RECORD the address delivered by Mr. O. L. Brownlee on the occasion of the South Dakota legislative dinner at Pierre, S. Dak., February 16, 1939, which appears in the Appendix.]

**NEUTRALITY VERSUS INTERVENTION—ARTICLE BY REV. JOSEPH F. THORNING**

[Mr. TYDINGS asked and obtained leave to have printed in the RECORD an article by Rev. Joseph F. Thorning entitled "Neutrality Versus Intervention," published in the January 15, 1939, issue of Spain, which appears in the Appendix.]

**RESOLUTIONS OF NEW JERSEY FARM BUREAU**

[Mr. BARBOUR asked and obtained leave to have printed in the RECORD certain resolutions adopted by the Twentieth Annual Convention of the New Jersey Farm Bureau at Trenton, N. J., January 25, 1939, which appear in the Appendix.]

**THE ANTHRACITE INDUSTRY**

[Mr. DAVIS asked and obtained leave to have printed in the RECORD an editorial from the Philadelphia Inquirer of February 19, 1939, entitled "Teamwork Needed to Save Anthracite," which appears in the Appendix.]

The VICE PRESIDENT. The routine morning business is concluded.

## AMBASSADOR JOSEPHUS DANIELS

Mr. CHAVEZ. Mr. President, the morning press carried the story that a Member of the other body of Congress severely criticized Hon. Josephus Daniels, our Ambassador to Mexico, and asked for an inquiry regarding his official conduct.

I cannot see anything unreasonable in Congress making inquiry from American representatives in foreign countries; but the American characteristic of fair play should impel us to wait until the facts are ascertained concerning the kind of service rendered by our representatives before subjecting them to harsh accusations. I feel confident that an account of Ambassador Daniels' work in Mexico and his dignified and humane efforts in protecting American interests in Mexico would satisfy any fair-minded body of inquirers.

Without going into the details of his work, I can in good faith say that from personal observation my opinion is that Ambassador Daniels has rendered valuable service to the United States. Of course, he is not of the arrogant or the garrulous type; but he represents the best that is American. He has made tremendous progress under the most trying circumstances. He is a kindly gentleman, who tries to understand the psychology of the people of the country to which he is accredited. Even in matters pertaining to religion he has taken a personal interest, and through his efforts the conditions of the churches, including the Catholic Church and its millions of worshipers, are better—not so good as we should and do desire, but, after all, there is only one Uncle Sam.

At another time I shall discuss our relations with Mexico. For the present suffice it to say that I wish we had more men of the God-fearing attributes, the heart, and the Americanism of Josephus Daniels.

## ORDER OF BUSINESS

The VICE PRESIDENT. The consideration of the calendar under rule VIII is in order.

Mr. BARKLEY. I ask unanimous consent that the call of the calendar be dispensed with.

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

## COMMODITY CREDIT CORPORATION—EXPORT-IMPORT BANK

Mr. WAGNER. Mr. President, I move that the Senate proceed to the consideration of House bill 4011, which, I may explain, is identical with Senate bill 1084, already reported by the Banking and Currency Committee of the Senate.

The VICE PRESIDENT. The question is on the motion of the Senator from New York.

The motion was agreed to; and the Senate proceeded to consider the bill (H. R. 4011) to continue the functions of the Commodity Credit Corporation and the Export-Import Bank of Washington, and for other purposes, which was read, as follows:

*Be it enacted, etc., That (a) section 7 of the act approved January 31, 1935 (49 Stat. 4), as amended, is hereby further amended by striking from the first sentence thereof "June 30, 1939" and inserting in lieu thereof "June 30, 1941"; (b) section 9 of the act approved January 31, 1935 (49 Stat. 4), as amended, is hereby further amended by striking from the first sentence thereof "June 30, 1939" and inserting in lieu thereof "June 30, 1941"; (c) section 9 of the act approved January 31, 1935 (49 Stat. 4), as amended, is hereby further amended by inserting before the period at the end of the last sentence thereof a colon and the following: "Provided further, That the Export-Import Bank of Washington shall not have outstanding at any one time loans in excess of \$100,000,000, the capital for which the Reconstruction Finance Corporation, when requested by the Secretary of the Treasury with the approval of the President, may continue to supply from time to time through loans or by subscription to preferred stock"; and (d) section 4 of the act approved March 8, 1938 (52 Stat. 108), is hereby amended by striking from the first sentence thereof "\$500,000,000" and inserting in lieu thereof "\$900,000,000."*

Mr. KING. Mr. President, I should like an explanation considerably in detail of the measure, the changes which it makes in existing law, the additional obligations which it imposes upon the Federal Government, and, generally, the changes proposed in the policies now pursued.

Mr. WAGNER. Mr. President, the changes are rather simple.

The bill before us deals with two subjects—the Commodity Credit Corporation and the Export-Import Bank—and proposes to continue the lives of these two instrumentalities of Government until June 30, 1941.

In addition to extending the life of the Commodity Credit Corporation, the bill increases from \$500,000,000 to \$900,000,000 the authority of that Corporation to issue notes, debentures, or similar obligations. That amount is estimated by those who are informed upon the subject as the sum necessary to enable the Corporation to make loans under the authority and mandate of the Agricultural Adjustment Act of 1938.

Under the Agricultural Adjustment Act of 1938, as to cotton, corn, and wheat, the Commodity Credit Corporation has no discretion in making loans. It is directed by Congress to make loans when application is made, the price to be fixed by the Department of Agriculture, and to be between 52 and 75 percent of parity. I call the attention of those who have criticized the loans which have been made by the Commodity Credit Corporation upon cotton, wheat, and corn to the fact that this is a mandatory provision, and that their criticism must be directed against Congress and not against the Commodity Credit Corporation. Congress has said, "You must make these loans," and has prescribed the terms and conditions under which the loans are to be made.

If there is a question as to whether that mandatory provision should exist, an amendment on that subject should be directed to the Agricultural Adjustment Act and not to any act with reference to the Commodity Credit Corporation.

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

Mr. WAGNER. Yes.

Mr. VANDENBERG. Is that the sole function of the Commodity Credit Corporation?

Mr. WAGNER. No. It makes loans on all agricultural products. There are other products included, but the major portion of the loans—I think about 90 percent of the loans—are made on cotton, corn, and wheat. I will read to the Senator the list of the products upon which loans have been made:

Butter, corn, cotton, dates, figs, hops, peanuts, pecans, prunes, raisins, tobacco, turpentine, resin, wool, mohair, and wheat.

Mr. VANDENBERG. What I wanted to ask the Senator was whether the necessity for increased loaning capacity is due to the mandatory loans or to the discretionary loans.

Mr. WAGNER. Primarily to the mandatory loans, because, as I have said, I think 90 percent in amount of all the loans made have been made to the producers of cotton, corn, and wheat, which are the mandatory products enumerated in the Agricultural Adjustment Act.

Mr. VANDENBERG. Will the Senator state the total of those loans at the moment?

Mr. WAGNER. The total of all loans?

Mr. VANDENBERG. Of both the mandatory loans and the discretionary loans.

Mr. WAGNER. If we take into consideration both actually disbursed loans and commitments the loans amount to \$747,448,000.

Mr. VANDENBERG. And that amount is divided how as between discretionary and mandatory loans? What proportion of the \$747,000,000 is in the mandatory-loan category?

Mr. WAGNER. In the case of cotton, there are outstanding loans and commitments to the extent of \$560,000,000. I am giving approximations. Does the Senator want the exact figure?

Mr. VANDENBERG. No; the round figures will be sufficient.

Mr. WAGNER. I think I had better give the exact figures: Cotton, \$560,323,741; corn, \$90,466,198; wheat, \$40,135,797.

Mr. VANDENBERG. Those are all mandatory loans under the other statute? Is that correct?

Mr. WAGNER. Exactly.

Mr. VANDENBERG. Does that mean that the Commodity Credit Corporation has already made loans in excess of its authority?

Mr. WAGNER. In excess of the amount of debentures it was authorized to issue. The Senator undoubtedly has reference to the \$147,000,000 over its combined capital and borrowing power for which the Commodity Credit Corporation obligated itself, or made commitments. That came about at a time when Congress was not in session. The \$500,000,000 authorization had been exhausted; but there was a mandatory provision of law by which Congress, if I may repeat, said to the Commodity Credit Corporation, "These loans must be made." We were then in a critical situation. The Senators representing the cotton States can explain that situation better than I can. They are better informed about it. We had a 19,000,000-bale cotton crop, and the situation was very serious. If the loans had not been authorized the cotton would have been thrown upon the market, and we should undoubtedly have had a serious crisis throughout the South, with major repercussions throughout the country.

So the Reconstruction Finance Corporation obligated itself to take up any commitments in excess of \$600,000,000 which the Commodity Credit Corporation had made and upon which funds were demanded. That is how the \$147,000,000 obligation was incurred. In the first place, it was an obligation which the Commodity Credit Corporation incurred in carrying out the direction of Congress, and second, it was a very wise thing to do under the serious circumstances presented.

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

Mr. WAGNER. I yield.

Mr. McNARY. I recall discussing this feature of the A. A. bill when it was before the Senate last year. I think the Senator and I engaged in a discussion of the matter on the floor of the Senate. I understand the figure was given as \$560,000,000 as having been loaned to the cotton producers.

Mr. WAGNER. Yes.

Mr. McNARY. What I am inquiring is, What was the average loan on cotton per pound?

Mr. WAGNER. It differed in different periods. In this connection I may say that the Senator could not have had the discussion with me, because this is the first time I have attempted to speak with any authority upon this subject. Probably the Senator had the discussion with one of those better informed about cotton.

Mr. McNARY. I remember going into the matter. The point I was making at that time, and am making now, is that in my estimation the per-pound loan on cotton quite exceeded its market value at the time the loan was made, and that is the question on which I wanted information.

Mr. CONNALLY. Mr. President, will the Senator from New York yield?

Mr. WAGNER. I yield.

Mr. CONNALLY. Let me ask the Senator from Oregon whether it is not true that under the Farm Act, and the administration of the act, the Secretary fixed the loan basis, or the Commodity Credit Corporation fixed it?

Mr. McNARY. It is based on 52 percent of parity.

Mr. CONNALLY. It was fixed also on a basic acreage of cotton.

Mr. McNARY. But loans were made some time prior to the enactment of this law, all of which were made at about 12 cents per pound on an 8-cent per pound market. Wherever the authority may rest, and by whomsoever errors of judgment may have been made, the question I am asking is, What was the average loan per pound as compared with the average price per pound at the time the loan was made?

Mr. CONNALLY. I am not aware that any loan was made at 12 cents when the market price was 8 cents.

Mr. McNARY. I remember discussing the matter at length here last year when it was before us.

Mr. WAGNER. I have just been informed that there was only one instance prior to 1938 when the loan price exceeded the market price of cotton—and that loan was liquidated at 100 percent with no loss to the Commodity Credit Corpora-

tion. I am quite willing to enter into this discussion—perhaps it is pertinent—but I believe we should defer these questions as to whether the loans should be made at all, and at what prices they should be made, to a discussion of amendments to the Agricultural Adjustment Act. That is the law which prescribes, first, what loans are to be made, and second, the prices at which they are to be made.

Mr. McNARY. I appreciate all that, but this is a pertinent inquiry. It has no reference to the value of the pending measure. I can go to the Department and get the information, but I assumed the Senator had the information. If the Senator has not the information, then I shall be glad to go to the Department.

Mr. GEORGE. Mr. President—

The PRESIDING OFFICER (Mr. McKELLAR in the chair). Does the Senator from New York yield to the Senator from Georgia?

Mr. WAGNER. I yield.

Mr. GEORGE. Let me say to the Senator from Oregon that the first and only 12-cent cotton loan was made in 1934. At the time that loan was made, fixed at 12 cents, the market was at 12 cents, or approximately 12 cents. The loan may have exceeded the market value of the cotton slightly. I think, perhaps, it might be fair to concede that it did exceed the actual market value of the cotton. But I may say to the Senator from Oregon that that loan has been liquidated 100 percent.

Mr. McNARY. The Senator does not need to defend the proposition. I entertain a very profound sympathy for the cotton growers; but I do recall graphically that last year, when we were discussing this matter, some loans had been made on a 9-cent cotton price level at a 12-cent loan level. That was a matter of administration. It may be charged to error of judgment, or it may be that we have acted unwisely in placing too high a percentage on the parity price. What I am seeking to find out—and I thought the able Senator from New York might have the information—is what has been the average loan per pound as contrasted with the average price per pound. If the Senator has not the information, well and good.

Mr. GEORGE. I was about to say to the Senator that the only loan which exceeded the market value was the 1934 loan, which loan has been liquidated 100 percent. The second loan was made on a basis of 9½ cents a pound, which was not above the market. The present loan was made on a basis of 8.3 cents per pound, which was not above the market at the time it was made. But, of course, that loan was made under the mandatory provision of the Farm Control Act, which the Congress passed in 1938.

Mr. McNARY. But the Senator will well recall that last year I expressed sentiments of criticism of the provisions carried in the bill which added a cent and a half on the loan privilege over and above the market price; and while that provision was written into the bill, I appreciate what was done. I am willing to take my proportion of the blame, although I opposed the action; but that is the law. What I am trying to obtain now, without any defense being made of the act, is some information which ought to be available, and I excuse the Senator from New York and the Senator from Georgia, and shall obtain the information from the Department.

Mr. GEORGE. I myself am not able, and I presume the Senator from New York would hardly be able, to give the figures as to the average loan made upon the cotton during the several years, or marketing seasons, because the loans varied from year to year, and the quantity of cotton actually loaned upon or advanced upon likewise varied from year to year. What I was trying to point out was that the only loan made on cotton above the market has been fully liquidated, and that the present loan was made under the mandatory provisions of the Farm Act which we passed.

Mr. WAGNER. I have the figures as to the average price paid, and since the Senator has inquired about it, I should like to read the figures into the RECORD. By the way, they

include also the accruals of interest and the storage charges to date, which raise the sum somewhat.

In 1934 and 1935 it was 15 cents, plus.

Mr. KING. The loan was on a basis of 15 cents?

Mr. WAGNER. The loan price, and that includes accrued interest, plus storage charges to date, figured on the pound basis. In 1937 and 1938 it was 9 cents plus. In 1938 and 1939 it is 9 cents plus. Those are the average loan prices, about which the Senator asked, but they include storage charges and accrued interest.

Mr. McNARY. The Senator does not mean that was the average price for cotton. It was the average loan per pound.

Mr. WAGNER. Yes; the average loan per pound.

Mr. McNARY. Of course, as incidental factors in all charges, storage and insurance must be taken into account, and sometimes depreciation.

Mr. WAGNER. Yes.

Mr. McNARY. I think that if the Senator follows that through he will find in each of those instances the price level was considerably under the loan level.

Mr. WAGNER. As I recall, Mr. Jones testified before the committee that there was only one case prior to 1938 in which the loan price exceeded the market price of the cotton.

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

Mr. WAGNER. I yield.

Mr. BARKLEY. In connection with this discussion, I do not recall that last year during the consideration of the agricultural bill there was any suggestion that a 12-cent per pound loan be made in 1938. There had been a previous loan of 12 cents, to which the Senator from Georgia has referred, which has been liquidated.

I recall that last year a number of Senators from the cotton States approached the Secretary of Agriculture and the President urging a 10-cent commitment on cotton, but that was not allowed. The Department would not go above 9 cents, which, as I understood, was to include the charges referred to by the Senator from New York. So that the average net loan on the cotton itself, I think, was thereby reduced to about 8.3 cents per pound, which was, as the Senator from Georgia has said, not above the price at the time the loan was made. It may be above the price cotton sold at later, but there was no loan above the price at the time the loan was made, as I understand it, with one exception, in which case the loan has been liquidated.

Mr. TAFT. Mr. President, will the Senator from New York yield?

Mr. WAGNER. I yield.

Mr. TAFT. Is it not true that in March a year ago it was found that the Commodity Credit Corporation had a deficit of \$92,000,000 on the inventory of the stuff they then owned?

Mr. WAGNER. Yes.

Mr. TAFT. And that since then the Treasury has had to pay them the sum of \$92,000,000 in order to make good the impairment of their capital through their loans?

Mr. WAGNER. That was also done as a result of an act we passed last year.

Mr. TAFT. Is it not also true that today there is an additional deficit of \$20,000,000 by reason of these loans?

Mr. WAGNER. Yes.

Mr. TAFT. Which the Treasury will be obligated to make up under the law to which the Senator referred?

Mr. WAGNER. That is true.

Mr. TAFT. Does the Senator know whether that loss occurs from the loans on cotton particularly?

Mr. WAGNER. Almost exclusively, I am told.

Mr. TAFT. Does the Senator know how many bales of cotton the Government in effect owns by reason of the loans?

Mr. WAGNER. Eleven million bales, I understand.

Mr. TAFT. Eleven million bales?

Mr. WAGNER. Yes. The Senator does not mean that the Government "owns" them.

Mr. TAFT. I said "in effect owns," because that is the situation.

Mr. WAGNER. The Senator may use his own language. As a matter of fact, they are not owned by the Government.

The title is not in the Government and never will be unless there is a subsequent foreclosure on the loans.

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

Mr. WAGNER. I yield.

Mr. KING. As I understand the Senator, it is obvious that a measure was passed, probably under the whip and spur of various organizations, which compelled the making of loans in excess of what was prudent and just, and which has resulted in a large deficit, and probably will increase the deficit. The Senator has said we ought to address ourselves perhaps to the modification of that law. Why should we not pretermitt a discussion of this matter; why should we not postpone discussion until we amend the present law? So far as I am concerned, I shall not vote for this bill to increase the authority of the Commodity Credit Corporation when no limits whatever are placed upon the obligations which the Government assumes, and which will undoubtedly compel loans to be made which will result in further deficits than we have, all of which will have to be paid out of the Treasury of the United States.

Mr. WAGNER. That question should come up when we consider legislation dealing with the Agricultural Adjustment Administration. There are Senators who will probably defend the provisions of that measure. I wish to say that I did not participate in the discussion concerning that legislation last year. I did not feel well enough informed to participate in it. But the Senate and the House were persuaded, and decided by an overwhelming vote, that the loans in question ought to be made to protect the cotton and other agricultural producers.

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

Mr. WAGNER. I will yield when I have completed my statement. Congress last year undoubtedly decided that the loss, even if there should be a loss upon these loans, would be very much less if the loans were made than the economic loss to the country at large from throwing a huge crop surplus upon the market. I may say that my own State of New York has not been substantially benefited directly by the activities of the Commodity Credit Corporation. But in matters of this kind I never have, and never will, assume a provincial attitude. The economic welfare of large groups of the population is of national concern and justifies action by the National Government in the general interest. I think, therefore, the Commodity Credit Corporation acted wisely. If any other attitude had been taken, I think we would have been presented with a critical economic situation, challenging both the Senate and the House for solution.

Mr. ADAMS. Mr. President, will the Senator now yield for what will be partly an inquiry and partly a statement?

Mr. WAGNER. I yield.

Mr. ADAMS. As a humble member of the committee of which the Senator from New York is chairman, the Committee on Banking and Currency, I concurred somewhat reluctantly in the favorable reporting of this bill.

Mr. WAGNER. The Senator is a very well-informed member of the committee, I will say.

Mr. ADAMS. I thank the Senator. I concurred reluctantly in the favorable reporting of this bill. I wish to point out that I cannot concur in the statement that the law makes necessary or mandatory the making of loans in excess of the funds provided by Congress. It is true the law does direct the making of loans, but necessarily, in my judgment, the limit upon the making of the loans is fixed by Congress. Congress provided that the Commodity Credit Corporation should have a borrowing capacity of \$500,000,000 and gave them a capital stock of \$100,000,000, so that they had \$600,000,000 which they could loan. To me that meant that a limit was set. The loans are made mandatory, but within the financial capacity of the organization. I was willing to have the limit raised, because I do not believe that loans are mandatory beyond the financial capacity of the organization. So I do not want to allow the statement to stand without any protest that loans are mandatory regardless of the capital, regardless of the lending capacity of the Commodity Credit Corporation.

Mr. WAGNER. I know exactly the attitude of the Senator, because he expressed it with great clarity before the committee. Mr. Jones defended his position on the ground that

this critical situation was confronting the Commodity Credit Corporation; that Congress was not in session, so that no authorization could then be sought to increase the \$500,000,000 to the sum needed; and that since the mandatory provision directed the making of these loans, and he felt the R. F. C. had legal authority to make the commitment which it did make, he met the crisis in that way. He contends—and I think there can be no disputing his position—that the R. F. C. violated no law in making the commitment which it did make.

Mr. ADAMS. Mr. President, my understanding of Mr. Jones' interpretation of the situation is that there was no excess loan made. Mr. Jones says that what the R. F. C. did was not to make loans but to buy the paper held by the Commodity Credit Corporation, and bought it from the Commodity Credit Corporation without any endorsement or guaranty from the Commodity Credit Corporation. In other words, if any criticism is to be made it should be based upon the R. F. C.'s purchase of what might be called commercial paper secured by cotton loans. But I think they recognized the limit placed upon the Commodity Credit Corporation of \$500,000,000, plus its capital stock, and that they did not go beyond that in the making of actual loans. They evaded it by a legal process within the powers of the R. F. C.

Mr. WAGNER. As a matter of fact, there was no actual disbursement made by the R. F. C. in connection with its commitment. The R. F. C. simply obligated itself to purchase the notes if they were actually presented for payment, but as a matter of fact there was no actual disbursement made; the Commodity Credit Corporation itself has only disbursed \$360,000,000 of the \$600,000,000 available to it.

Mr. ADAMS. I think if criticism is made of the R. F. C., it should be based on an item which does not appear on the statement, that they did commit themselves, according to the testimony before the committee, to make certain loans or certain purchases which were not actually made. They have some \$300,000,000 of commitments which do not appear on the statement, which they could not carry out unless they were able to market with the R. F. C. loans which they hold, or unless the loans were paid.

Mr. SHIPSTEAD and Mr. KING addressed the Chair.

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

Mr. WAGNER. I think the Senator from Minnesota was asking for recognition first.

Mr. KING. Mr. President, will the Senator from Minnesota yield to me so that I may ask a question?

Mr. SHIPSTEAD. Yes.

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

Mr. WAGNER. I yield.

Mr. KING. I confess that I am greatly shocked to learn that any organization of the Government would pay out money when no appropriation had been made. This organization apparently had a limitation placed upon its capital, and it seems to me that if it had expended money beyond that limit—

Mr. WAGNER. It did not pay any money that it was not authorized to pay.

Mr. KING. My understanding is that there is a deficit here, as indicated, of \$92,000,000, and then another deficit of \$20,000,000, which someone will have to pay.

Mr. WAGNER. The deficit occurred because there was a loss upon the loans made on cotton, and those loans were made by authority of law, and by the direction of Congress. They are unrealized losses, I may say, estimated on the basis of the market price of the cotton today. It may well be that at sometime in the future there may not be an actual loss at all, but there was no violation of the law in connection therewith. That was all done in accordance with law.

Mr. KING. I understood the Senator to say that if we had any quarrel it ought to be with the law because there was a law which made it mandatory to purchase cotton and other commodities.

Mr. WAGNER. Not to purchase, but to make loans with certain commodities as collateral.

Mr. KING. Well, to make loans. And if there is no provision made for the loans, obviously that authority was nugatory. The law carried no obligation to make the loans when there was no provision made for them.

Mr. WAGNER. I think the Senator has misunderstood.

Mr. KING. I hope I have misunderstood.

Mr. WAGNER. The Senator rarely ever does misunderstand anything. But this loan was not made in violation of any law. To the contrary, it was made by direction of law. The loss arises when you estimate the difference between the price of cotton on the market today and the loan price per pound. If the Commodity Credit Corporation were required to go upon the market and sell the cotton today it would suffer a loss. But they are not required to go upon the market and sell it today, and so the loss is only an estimated loss, an unrealized loss. If cotton goes up sufficiently it may not be an actual loss at all. But nobody contends, I am sure, that there was any violation of law at all in the making of that loan. On the contrary, it was made in accordance with law.

Mr. KING. I was addressing myself to the proposition made by the Senator a few moments ago as I understood it, namely, that a law was passed which required the purchase of certain commodities. If the Congress made no provision for the furnishing of money for those loans, obviously those who were authorized to make the loans had no business to make them when there was no money available. If they made loans and incurred obligations, then it seems to me they violated the law. I propose to offer an amendment to this bill providing that no loans shall be made in excess of the capital which is provided now or has been in the past for the Commodity Credit Corporation.

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

Mr. WAGNER. I yield.

Mr. SHIPSTEAD. I see a provision in the bill that certain funds may be used to make loans or with which to purchase preferred stock. Would that be preferred stock in the Import-Export Bank?

Mr. WAGNER. What provision is the Senator referring to?

Mr. SHIPSTEAD. On page 2, beginning in line 6, it says:

The Treasury, with the approval of the President, may continue to supply from time to time through loans or by subscription to preferred stock.

Mr. WAGNER. That has to do with the Export-Import Bank, I may say to the Senator.

Mr. SHIPSTEAD. That is preferred stock in the Export-Import Bank?

Mr. WAGNER. The R. F. C. now owns \$45,000,000 of preferred stock of the Export-Import Bank. That is not the proposition we are discussing now.

Mr. SHIPSTEAD. What I want to know is, What stock will be purchased by the Commodity Credit Corporation by reason of the increased funds asked for?

Mr. WAGNER. The preferred stock of the Export-Import Bank will be purchased by the Reconstruction Finance Corporation, not by the Commodity Credit Corporation. This matter has no relation at all to the Commodity Credit Corporation. The provision referred to by the Senator from Minnesota relates to the Export-Import Bank.

Mr. SHIPSTEAD. Could the increased funds be used to make more loans or to increase the amount of loans? What is the purpose?

Mr. WAGNER. Of what? Of the preferred stock?

Mr. SHIPSTEAD. No; of the increased capital, the increased amount of debentures they may issue.

Mr. WAGNER. The purpose is to enable the bank to make more loans. The other provision of the bill relates to the Export-Import Bank. We are now providing that their loans may not exceed \$100,000,000 under the law; but they must have the capital with which to do business.

Mr. SHIPSTEAD. Yes.

Mr. WAGNER. The way they secure the capital is by selling their preferred stock to the Reconstruction Finance Corporation.

Mr. SHIPSTEAD. And the purpose is not to meet any losses?

Mr. WAGNER. No. As a matter of fact, the Export-Import Bank is so far a profitable enterprise.

Mr. BARKLEY and Mr. VANDENBERG addressed the Chair.

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

Mr. WAGNER. I yield to the Senator from Kentucky.

Mr. BARKLEY. Mr. President, returning to the point raised a moment ago by the Senator from Utah, what has happened is that the value of the securities upon which the loans were made has declined, so that if the securities were liquidated by sale there would be a loss; but at present it is only a paper loss. The fund operates as a sort of revolving fund. Of course, it is assumed that loans will be made, and collected. A bank may have \$1,000,000 in deposits, and during the year it may make loans of five times that amount, because the fund operates as a revolving fund.

The bank lends and collects back, and makes more loans. That is what may happen under the Commodity Credit Corporation and the Export-Import Bank. The increase in capital stock is for the purpose of attempting to furnish credit by which we may facilitate the exportation of the surplus products of American producers, and try to recapture some of the trade which, without credit, we may lose, some of which we have already lost.

So long as private lending agencies are not in a position to make loans, or for any reason do not make loans to facilitate and finance the exportation of American products, it is desirable that that credit be provided. If it had not been for the lack of credit from a financial standpoint in private institutions, there never would have been any reason for the creation of the Reconstruction Finance Corporation, the Home Owners' Loan Corporation, or any of the other lending agencies which were created and have operated under the jurisdiction of the Government.

Mr. WAGNER. I may say to the Senator from Kentucky that the Senator from Utah had in mind only the operation of the Commodity Credit Corporation, not the Export-Import Bank.

Mr. KING. Yes.

Mr. BARKLEY. The same principle applies.

Mr. WAGNER. The same principle applies, except that there have been no losses either realized or unrealized in connection with the Export-Import Bank.

Mr. BARKLEY. In addition to the mandatory provisions with respect to loans, in connection with the operations of the Export-Import Bank, I happen to know, in regard to tobacco, that the Export-Import Bank has been not only very helpful, but it has been a lifesaver in facilitating the exportation of surplus and unsalable quantities of tobacco, which could not have been financed without the operation of the Export-Import Bank. The producers have been able to sell large quantities of tobacco which had been held over the market for years, largely for the benefit of tobacco co-operative organizations in the production and sale of tobacco. I happen to know that without the Export-Import Bank it would have been practically impossible to finance the sale of large quantities of surplus tobacco which were wanted in foreign countries, but the sale of which nobody else could facilitate or finance.

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

Mr. WAGNER. I yield.

Mr. VANDENBERG. If the Senator is correct in his interpretation that certain loans are mandatory, and the Senator from Colorado [Mr. ADAMS] is incorrect, what happens if the mandatory necessities—

Mr. WAGNER. May I interrupt? I do not think the Senator from Colorado took the position that the Agricultural Adjustment Act did not have in it a mandatory provision to make loans on certain commodities.

Mr. VANDENBERG. No; but that the loans were limited by the other act of Congress.

Mr. WAGNER. That the loans were limited by the authorization to issue notes and debentures of the Commodity Credit Corporation.

Mr. VANDENBERG. What I want to know is, if the Senator from New York is correct, what will happen this year if the mandatory requirement passes \$900,000,000? Where will the money be obtained?

Mr. WAGNER. Loans will be made by the Commodity Credit Corporation up to \$900,000,000.

Mr. VANDENBERG. What will be done if there is an additional necessity?

Mr. WAGNER. I am not a clairvoyant. I cannot anticipate every kind of crisis which may confront the different agencies of the Government. Let me say to the Senator that there may be some conflict between the Agricultural Adjustment Act, which says, "You must make these loans," and the authority given to the Commodity Credit Corporation to issue debentures or other obligations with Government guaranty. I am not so sure that the loans are limited. Rather, only the Corporation's right to issue its own obligations is limited. The funds for the loans may come from the issue of its obligations, but there is no provision which says that the loans are limited to the amount which may be secured by issuing debentures or other obligations.

The Commodity Credit Corporation was confronted with a crisis. It was unable to issue any further debentures, and therefore had no money with which to carry out the mandate of Congress contained in the Agricultural Adjustment Act of 1938. Therefore, the Reconstruction Finance Corporation, which has the right to make such commitments, carried out that mandate.

If the situation was dealt with unwisely there is nothing we can do about it now. I think the action was wise. I should not have wanted to take the responsibility of compelling the producers of cotton, corn, and wheat to throw their products upon the market and bring ruin to large sections of the country. That was the situation which confronted these agencies of the Government.

It is easy enough for us to talk now; but under the circumstances I think they did the wise thing. As between inviting a terrific crisis and using an indirect but entirely legal method of making the loans, I say they did the wise thing.

That is the only explanation I can make to the Senator, and he may make the most of it.

Mr. VANDENBERG. Mr. President, I have not asked the Senator for an explanation of what happened, and I have not asked him to enter the realm of clairvoyancy, unless all such appropriations are clairvoyant in that they do not mean what they say. What I am inquiring is, Does the \$900,000,000 limitation mean what it says?

Mr. WAGNER. It does.

Mr. VANDENBERG. Or are we again confronting the possibility of something else?

Mr. WAGNER. It means exactly what it says. It means that beyond \$900,000,000 the Commodity Credit Corporation may not issue its debentures or other obligations for the purpose of securing funds.

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

Mr. WAGNER. I yield.

Mr. TAFT. The last time the Reconstruction Finance Corporation came to the aid of the Commodity Credit Corporation—

Mr. WAGNER. Came to the aid of the producers.

Mr. TAFT. Came to the aid of the Commodity Credit Corporation.

Mr. WAGNER. Came to the aid of the producers. Do not misstate the facts. It came to the aid of the producers who needed the loan. That is what happened.

Mr. TAFT. Is it not true that the Reconstruction Finance Corporation entered into a contract with the Commodity Credit Corporation to buy from it \$150,000,000 of its loans if it became necessary?

Mr. WAGNER. One hundred and forty-seven million dollars.

Mr. TAFT. Because of the excess over the \$600,000,000.

Mr. WAGNER. That is correct; the amount is \$147,000,000.

Mr. TAFT. If the Commodity Credit Corporation finds that it wishes to exceed the limit of \$900,000,000 which we are now fixing, it may again go to the R. F. C., and, so far as I can see, there is no reason why the R. F. C. will not again make a loan to it. So, from my point of view, one reason for voting for the limitation is that it does not mean anything anyway, so long as the Reconstruction Finance Corporation can lend all the money it chooses on this kind of loans. Therefore it makes no difference whether the limitation is \$500,000,000, \$900,000,000, or a couple of billion dollars, so far as I can see.

Mr. WAGNER. If the Senator wishes to amend the act so that the Commodity Credit Corporation may no longer make loans to agricultural producers, he has the privilege of offering that amendment. If that is his view, he has a perfect right to incorporate or to attempt to incorporate that provision in the law by offering an amendment to this particular legislation.

Mr. TAFT. I was not even suggesting that. I was discussing the question whether or not the limitation of \$900,000,000 means anything. So long as the Reconstruction Finance Corporation has unlimited power to lend, such a limitation would not mean anything. That is the point I am trying to make, and I think the Senator admits it.

Mr. WAGNER. I will speak for myself.

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

Mr. WAGNER. I yield.

Mr. MILLER. It does make a difference whether or not the borrowing authority of the Commodity Credit Corporation is increased from \$500,000,000 to \$900,000,000. It is true the Commodity Credit Corporation Act does not contain any limitation on the right of the Corporation to make loans, but it does contain a limitation on the amount of money it may borrow on the credit of the United States. On the R. F. C. there is at present no such limitation. Why take two bites at one cherry? If we are going to continue to make these loans, why not give the Commodity Credit Corporation the right to pledge the credit of the United States and borrow the money, instead of going through the back door and obtaining it from the R. F. C.? It is a money-saving proposition to increase the borrowing authority of the Commodity Credit Corporation, unless it is desired to make two operations of one.

Mr. TAFT. In the main, I am in favor of it, and voted for it in the committee. I am merely saying it does not mean anything, for the power is already there.

Mr. WAGNER. Mr. President, I have not yielded to the Senator from Ohio. I yielded to the Senator from Arkansas.

Mr. TAFT. I beg the Senator's pardon.

Mr. MILLER. Mr. President, increasing the authority does mean a saving of money, because the borrowing is then made direct instead of through the R. F. C.

Mr. WAGNER. Mr. President, frankly, I prefer to have the Commodity Credit Corporation limited, so far as practicable, to the amount which it is authorized to obtain by the sale of notes, debentures, or other obligations. But we cannot anticipate every kind of crisis that may occur; we have to consider human beings in certain situations and the possible distress of our citizens.

I think I have said about all I care to say regarding the provisions of the bill relating to the Commodity Credit Corporation and will now discuss the other feature of the measure.

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

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

Mr. WAGNER. I yield.

Mr. KING. I confess that I am somewhat confused as to the meaning and implications of the measure before us. As I understand, loans have been obtained through the R. F. C. Would it not be a satisfactory arrangement to provide that no loans shall be sold to or purchased by any other governmental agency? I do not think that the R. F. C. should buy

the paper and loans of this organization. Let this organization stand on its own foundation.

Mr. WAGNER. The R. F. C. is a very important instrumentality of our Government. I think all Senators on both sides of the Chamber concede that it has so admirably discharged its functions that nobody would want to interfere with its present borrowing or lending power. The suggestion made by the Senator from Utah, if adopted, might so limit the power of the R. F. C. that the very important and salutary functions which it is now exercising might be destroyed. I should not want to take that responsibility.

Mr. President, the other provision of the bill extends the life of the Export-Import Bank, the purpose of which is to help the businessmen of our country, in a very small degree, to sell their products abroad by aiding them in the financing of such transactions. It is important to businessmen, though not a major factor. Last year, as I recall, the value of all our exports was somewhat in excess of \$3,000,000,000. This bank is permitted under this law to extend credit only up to \$100,000,000, and I think only about \$50,000,000 of that sum has already been lent or committed. It therefore becomes apparent that the bank is not a very large element in our foreign trade.

The bank was created in 1934 by an Executive order. It was created primarily to foster trade with Russia after Russia was recognized by the United States. It was anticipated that with the aid of the Export-Import Bank we would be able to secure a great deal of business in the Russian market. However, that was not forthcoming at that time.

In order to clear up any misunderstanding which may exist, let me say that there were at one time two export-import banks. The second one was organized primarily to assist in the transactions in which silver was minted for the Cuban Government. The only operation performed by the United States was the rendering of the service of minting the silver. All but one of those transactions have been concluded; the equivalent of the silver delivered to Cuba and paid for as delivered. The Second Export-Import Bank has been liquidated and is no longer in existence.

The other bank, the Export-Import Bank, has about \$25,000,000 in loans outstanding, and has commitments to lend about \$26,000,000 more, the two together making, approximately, \$50,000,000. Of course, the commitments may not be taken up. In many instances after the Export-Import Bank had agreed to aid in the financing of a particular transaction the businessman or businessmen involved secured credit from other sources and the Export-Import Bank was not called upon to aid.

The simplest way to explain the operation of the Export-Import Bank is to cite a typical transaction in detail.

An American manufacturer approaches the bank, asking it to agree to furnish him the credit necessary to enable him to sell to a foreign purchaser. If the bank makes the commitment, and if the sale goes through—and only about one-half of the sales on which the bank makes commitments are consummated—the manufacturer delivers the commodities to the foreign purchaser and transmits the invoice to a bank in the foreign country, usually through a New York bank. The foreign bank guarantees the obligation of the foreign purchaser, and the American manufacturer takes the guaranteed note to the Export-Import Bank. If the amount involved is small, the bank will lend the amount, holding the American manufacturer responsible for the payment. In such a case the bank has the obligation of the foreign purchaser, the guaranty of the foreign bank, and the endorsement, with recourse, of the American manufacturer to protect it.

In some of the larger transactions the bank will take a "participation" in the transaction; that is, it will accept the endorsement of the American manufacturer for a portion of the amount of the invoice "without recourse," relieving the American manufacturer of any liability as to that portion. Ordinarily the bank's participation in such transactions is about 50 percent.

The bank has been singularly successful. Although it has lent \$61,500,000 since its creation, it has suffered no loss on any of the loans to date, and only two are in arrears—a \$700,000 loan on tobacco sold to the Spanish tobacco monopoly, of which all but \$37,000 has been repaid, and payments on an \$800,000 loan on railway equipment sold to Mexico, of which \$417,000 has been repaid, and on which further payments are only 1 month in arrears. All other loans were paid on time or are currently up to date.

The bank has earned sufficient to make up dividends on its preferred stock which had accrued in the 18 months after its creation when it did not operate, as well as to meet current dividends and operating expenses.

I think it is very important to continue the operations of this instrumentality if the Government is to give even a small portion of aid to our exporters in winning foreign markets.

We are particularly concerned with the trade in Latin-American countries. Due to superior credit terms and subsidies given by other countries, we are now in a very serious situation in the South American market. The Foreign Minister of Brazil is now in Washington. He stated the other day that Brazil was very friendly to the United States and would prefer to buy American commodities, but that if Brazilian businessmen received better terms in the purchase of commodities from other countries, we were bound to lose that market. We are in competition particularly with Germany. That is shown by a statement of applications made to the Export-Import Bank for credits which were canceled because the orders went to other countries.

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

The PRESIDING OFFICER. Does the Senator from New York yield to the Senator from North Carolina?

Mr. WAGNER. Yes.

Mr. REYNOLDS. The Senator a moment ago made mention of the fact that a representative of the Brazilian Government is in Washington at the present time.

Mr. WAGNER. I said that he made a statement in the press yesterday with reference to the credits given to the businessmen of his country by other countries, which embody better terms than those offered by American exporters; and that therefore there is danger of our losing our very desirable foreign trade in his and other South American countries.

Mr. REYNOLDS. In reference to that matter, I should like to ask the Senator if it is not a fact that the United States has loaned to the countries of South America more money than any other country has loaned?

Mr. WAGNER. I am not now speaking of loans to governments. I am speaking of transactions with individuals in another country by individuals in this country, similar to several cases which I am about to discuss.

Mr. REYNOLDS. I should like to ask the Senator if it is not a fact that American investors or capitalists have rendered more financial aid to the republics to the south of us—that is to say, in Central America, South America, and the West Indies—than has been rendered by the investors or capitalists of any other country in the world, with the exception of the amount of money advanced by private capital in Great Britain to the nationals of the Argentine.

Mr. WAGNER. The Senator is now speaking of the 1920's, not of today?

Mr. REYNOLDS. No; I am speaking of the past 10 years.

Mr. WAGNER. I am not able to answer that question accurately. In the 1920's we certainly did.

Mr. REYNOLDS. We did.

Mr. WAGNER. And I hope that experience never will be repeated.

There is not any such danger here. In the first place, we are dealing, not with the purchase of the securities of foreign governments, but with Mr. A. of the United States, selling some cotton, locomotives, or something else, to Mr. B. of Brazil. The Export-Import Bank merely aids our manufacturers in financing transactions of that kind.

Mr. REYNOLDS. But is it not true that in connection with loans to be made by American capitalists to the respec-

tive countries of South America, where we are strenuously endeavoring to cope with problems which have been made there by our competitors, Germany and Italy, we should take into consideration the financial condition of the particular countries, and ascertain whether or not any bonds of those countries remain unpaid in this country as to interest or principal?

Mr. WAGNER. I thought the Senator had misunderstood me. I am not talking about the securities of foreign governments at all. I am talking about mere business transactions.

Mr. REYNOLDS. That is what I am talking about.

Mr. WAGNER. If we are interested in these foreign markets, we must do one thing or another. Either we are going to secure the foreign markets or we are not. If we want to win these markets in other countries, we shall have to compete with other nations, and our terms, so long as they are safe, must be such that they will meet those of other nations. The Export-Import Bank, so far, has made no loans which, in my judgment, have not been sound. All but two of them have been repaid or are currently up to date in payments.

If we are to invade these foreign markets and win them, as we all want to do, we shall have to compete with the other countries and try to meet their terms. That is what I am asking. I am not talking about the Government of Brazil or any other government floating bonds or other securities in this country, to be purchased by our citizens. That is an entirely different subject; and as to that the Senator and I are not in disagreement.

I desire to give some instances in which we have lost trade to other countries.

Here is an application by the American Locomotive Sales Corporation. The country is Brazil. The commodity is locomotives. The commitment was \$103,000, and the business went to Germany.

Mr. TAFT. Mr. President—

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

Mr. WAGNER. Yes.

Mr. TAFT. Will the Senator from New York state what proportion of the total commitments and loans outstanding today are to foreign governments, or to companies entirely owned, 100-percent owned, by foreign governments?

Mr. WAGNER. I do not know. There has been some question as to whether the Chinese loan is in that category. Incidentally, the Senator from Ohio knows about that loan. He is thoroughly informed upon all of these subjects, and he knows the answers to most of the questions he asks. I want to pay him that compliment.

Mr. TAFT. If the Senator will yield, then I shall be glad to make the statement.

Mr. WAGNER. The Senator from Ohio may do so in his own time. As a matter of fact, I was just coming to that subject. The Senator probably has in mind the transaction in China or the one in Mexico.

Mr. TAFT. Is it not true that of a total of \$50,000,000 of loans and commitments outstanding today, one-half, or \$25,000,000, is a commitment to the Government of China?

Mr. WAGNER. It is a commitment, not a loan.

Mr. TAFT. A commitment?

Mr. WAGNER. There is an American corporation which it is said is controlled by the Chinese Government—I am not in a position to say whether it is or not—which makes purchases in this country, as I understand. If I am inaccurate in what I say, the Senator from Ohio will correct me. Then the purchase price of the particular commodity is guaranteed by a Chinese bank, 50 percent of the stock of which, I understand, is owned by private citizens in China, and 50 percent by the Chinese Government. So I think, strictly speaking, the Senator cannot say that that is altogether a commitment to the Chinese Government.

So far as that loan is concerned, however, no product at all has been sold under the commitment; and as a request comes for the purchase of a particular commodity, the Export-Import Bank will then pass upon the question whether the credit ought to be extended in that particular instance.

Mr. TAFT. Of the balance, about \$6,000,000 is loaned to the Government of Haiti; is it not?

Mr. WAGNER. Perhaps that is so. I am not clear as to whether that is the amount loaned to the Government of Haiti. I have not the record of that transaction.

Mr. TAFT. The loan was made for internal improvements.

Mr. WAGNER. But, as a matter of fact, what happened was that an American manufacturer sold commodities there, and the amount due is for those commodities. There is no doubt it will be paid. Haiti is not in default on any of its debts, if the purchase was made by the Government of Haiti.

Mr. TAFT. Was there not a time when we had to send marines to Haiti and take over the customs in order to make them pay their debts?

Mr. WAGNER. Yes; there was such a time, but that time is gone.

Mr. TAFT. Has the Senator any assurance that we shall not have to do it again if we want to get back the \$6,000,000?

Mr. WAGNER. Yes.

Mr. TAFT. What is that assurance?

Mr. WAGNER. Because we have adopted the "good neighbor" policy, and we no longer police these countries. They are independent and run their own governments.

Mr. TAFT. The Senator means, does he not, that we do not collect our debts from them?

Mr. WAGNER. No; Haiti is not in default on any of its debts. I do not want to discuss that question, because the American people approve the "good neighbor" doctrine. They do not approve the practice of sending our marines to a foreign country to collect the debt of some individual.

Mr. TAFT. Neither do I.

Mr. WAGNER. I will say to the Senator that that took place under another administration, but that time has gone.

Mr. TAFT. Without marines, however, have we any assurance that we shall ever collect this \$6,000,000 from Haiti?

Mr. WAGNER. Of course we have.

Mr. TAFT. What is that assurance?

Mr. WAGNER. Because Haiti is an honorable country, and it will meet its obligation, if the loan was to the Government. I am not sure the Senator is correct that it was the Government of Haiti which took the loan.

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

Mr. WAGNER. Yes; I yield.

Mr. KING. I dislike to get into this controversy, but I disagree with my distinguished friend from Ohio. I am familiar with the situation in Haiti. It is true that we sent marines there during the World War. We ought not to have done so. My party, the Democratic Party, in my opinion was responsible for a very great error in sending marines there, but we did not send them there for the purpose of collecting debts. Haiti did not owe us anything. The view was entertained by some of our military commanders that Germany would use the northern ports of Haiti as submarine bases, and there was some controversy down there. A revolution occurred and the president was killed. We sent marines there for fear France or Germany might interfere in the governmental activities of Haiti, but Haiti did not owe us. She owed France at that time a considerable debt, upon which she had always paid the interest.

Haiti today, in my opinion, is solvent, and we need have no fear regarding repayment of a loan to her, although I am not in favor of our Government's loaning money to any other government, or to any person, for that matter, except under some domestic conditions here which might warrant it. But so far as Haiti is concerned, she will meet her obligations, and we did not send marines there to collect a debt.

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

Mr. WAGNER. Let me say to the Senator that I do not desire to get into a discussion of the responsibility of this government or that. I have inquired about the Haiti loan; it is paid right up to date. Some of our manufacturers sold some commodities in Haiti which went into the building of roads and other public improvements. As to whether marines will go there at some time in the future, I do not think that is pertinent to the pending matter, and I want to try to stick to my subject.

Mr. TAFT. Will the Senator yield?

Mr. WAGNER. I yield.

Mr. TAFT. Are there any other loans to foreign governments, or to corporations wholly owned by foreign governments?

Mr. WAGNER. I do not recall one. The Senator may have one in mind.

Mr. TAFT. Is there not a loan to the Mexican Railway, a corporation owned entirely by the Government of Mexico?

Mr. WAGNER. Yes; but I understood that the bank which guaranteed the loan was not owned entirely by the Mexican Government. But if the Senator is sure about it, I will take his word for it.

Mr. TAFT. Is there a loan to the Government Bank of Poland, owned by the Polish Government?

Mr. WAGNER. No. We sold to some spinners over there a considerable amount of cotton, payment for which has been guaranteed by the Bank of Poland. I understand that obligation is being paid right up to date.

Mr. TAFT. Are there any loans to governments to whom loans cannot be made under the Johnson Act?

Mr. WAGNER. Oh, no; there has been no violation of either the Neutrality Act or the Johnson Act.

Let me continue now with the information about some of the trade we lost because we could not meet the terms of our competitors in the South American market. I am glad the Senator from South Carolina, the expert on cotton, is now in the Chamber.

Mr. SMITH. Mr. President, I should like to make an inquiry of the Senator at this time, because I have to leave the Chamber in a moment. Since the question of the Johnson Act has been brought up, does not the Senator think we have gotten ourselves into the condition we are in from an export standpoint largely by virtue of that very act?

Mr. WAGNER. The Senator is an expert upon these questions, and I am not, so I should like to have the Senator make his own statement, because no one knows more about that subject than he does.

Mr. SMITH. The only statement that is necessary to be made is that under the Johnson Act our Government cannot lend any money to a government that is in debt to us, and all of them are in debt to us. That is the situation.

Mr. VANDENBERG. Not in debt to us—in default on their debts to us.

Mr. SMITH. Oh—

Mr. VANDENBERG. That is a little different.

Mr. SMITH. The Senator may use such terminology as he sees fit to employ, but every farmer feeds his stock three times a day. Now we have the reverse of that proposition, we will not lend anyone any money with which to buy our goods and pay us for them. We have just sense enough to be the fools we are. [Laughter.]

Mr. WAGNER. Mr. President, I wish to conclude, and I should like to read these other cases of commitments made by the Export-Import Bank where the American manufacturer failed to get the business.

The United States Pipe & Foundry Co., of Burlington, N. J. Country, Mexico. Commodity, pipe. Commitment, \$125,000. Business placed outside of the United States.

Pullman-Standard Car Export Co., of New York. Country, Brazil. Commodity, freight cars. Commitment, \$540,000. The business went to Belgium because we could not meet their terms.

Harley-Davidson Motor Co., of Milwaukee, Wis. Country, Turkey. Commodity, motorcycles. Commitment, \$100,000. Business placed outside of the United States.

Caterpillar Tractor Co., Peoria, Ill. Country, Turkey. Commodity, tractors. Commitment, \$452,000. Business placed in Czechoslovakia because we could not meet the terms.

These large business interests in this country very much favor the Export-Import Bank. Their only complaint is that there is too great a limitation upon it.

The J. G. Brill Co., Philadelphia, Pa. Country, Argentina. Commodity, railroad equipment. Commitment, \$450,000. Business placed outside of the United States after the application was made and an effort made to get the business.

Pullman-Standard Car Export Co., of New York. Country, Brazil. Commodity, railway cars. Commitment, \$1,761,000. Business went to Germany.

The Willamette-Hyster Co., Portland, Oreg. Country, Turkey. Commodity, standard winches. Commitment, \$15,700. Business went to Germany.

Gillespie & Co., of New York. Country, Brazil. Commodity, industrial products. Commitment, \$600,000. Business placed outside of the United States.

Caterpillar Tractor Co. Country, Turkey. Commodity, industrial products. Commitment, \$1,000,000. The business went to Czechoslovakia.

I am just giving these as instances in which we were not able to compete with these other countries in the extension of credit. There was no question about the merit of our commodities at all.

We merely desire to continue the life of the bank. As a matter of precaution, just as the House of Representatives has done, we are limiting its operation to not more than \$100,000,000.

I do not know of anything else I need to say upon the two bills.

Mr. ADAMS. Mr. President, will the Senator permit me to make a suggestion?

Mr. WAGNER. Certainly.

Mr. ADAMS. There were furnished us at the hearing of the Banking and Currency Committee three sheets containing the financial story of the Commodity Credit Corporation, one a balance sheet, one a statement of commitments and the amounts involved, and the third the actual disbursements. I suggest that they be put into the RECORD.

Mr. WAGNER. I ask that these statements be included in the RECORD.

The PRESIDING OFFICER. Is there objection?

There being no objection, the statements were ordered to be printed in the RECORD, as follows:

*Commodity Credit Corporation balance sheet, Feb. 1, 1939*

ASSETS	
Cash on hand and on deposit	\$149,704.83
Cash collateral on deposit with R. F. C.	\$14,505,570.32
Accrued interest	367,641.38
Commodity loans	\$360,296,170.19
Accrued interest	6,248,244.12
Less: Reserve for losses	366,544,414.31
	74,289,160.05
1937-38 cotton collateral purchased	292,255,254.26
1937-38 corn pool	52,106.41
Miscellaneous receivables	10,124,273.14
Claims in process of settlement	64,756.01
Advanced to employees for travel	28,254.93
Equipment, fixtures, and furniture	450.00
	50,981.11
Total assets	317,598,997.39
LIABILITIES	
Notes payable:	
Series C collateral trust notes	\$206,174,000.00
Interest payable	396,114.73
First issue \$100,000,000	\$206,570,114.73
Interest payable	10,000,000.00
	3,561.64
	10,003,561.64
Miscellaneous payable	216,573,676.37
Suspended credits unallocated	1,257.32
Eastern Dark Fired Tobacco Association—cash collateral	972,570.79
	51,492.91
Capital stock	\$100,000,000.00
Operating deficit	\$19,996,244.68
Less: Amount from appropriation of \$94,285,404.73 necessary to offset deficit	19,996,244.68
	100,000,000.00
Total liabilities	317,598,997.39

NOTE: Pursuant to the act of Mar. 8, 1938 (Public. No. 442, 75th Cong.), \$94,285,404.73, the amount necessary to restore the capital impairment, based on a valuation of the assets as of March 31, 1938, was appropriated. Of this amount, \$19,996,244.68 is treated in this balance sheet as a capital item to offset the operating deficit, which includes losses on loans liquidated. The balance of \$74,289,160.05 is carried as a reserve for losses in liquidating the outstanding loans.

COMMODITY CREDIT CORPORATION

Commodity Credit Corporation, since its organization, pursuant to Executive Order No. 6340, dated October 16, 1933, has made loans on agricultural commodities in connection with programs of the Department of Agriculture. Such loans are functioned through the facilities of the Reconstruction Finance Corporation under an agreement providing for reimbursement of expenses incident to the loans. Prior to May 2, 1938, Commodity Credit Corporation borrowed funds required in addition to its capital from Reconstruction Finance Corporation and through issue of collateral trust notes, on the security of the commodity loans. Since that date necessary funds have been borrowed through issuance of notes guaranteed by the United States, such notes being issued pursuant to the act of March 8, 1938 (Public. No. 442, 75th Cong.). From the date of organization through February 1, 1939, loans disbursed by Commodity Credit Corporation and by lending agencies, under a purchase agreement, have aggregated \$1,284,931,553.12. Repayments have aggregated \$537,483,350.17, leaving outstanding loans as of February 1, 1939, of \$747,448,202.95. A statement of disbursements, repayments, and outstanding loans for each commodity, together with the collateral remaining pledged, is given below:

Commodity	Disbursements <sup>1</sup>	Repayments <sup>2</sup>	Outstanding <sup>3</sup>	Collateral pledged <sup>3</sup>
Butter	\$30,210,810.62	\$10,490,926.04	\$19,719,884.58	80,292,146 pounds.
Corn	245,528,329.25	155,062,131.09	90,466,198.16	159,475,336 bushels.
Cotton	908,536,279.99	348,212,538.47	560,323,741.52	11,014,836 bales.
Dates	61,302.00	61,302.00		
Figs	213,351.33	94,027.40	119,323.93	4,914 tons.
Hops	1,394,627.62		1,394,627.62	7,035,156 pounds.
Peanuts	12,207,271.31	7,154,475.70	5,052,795.61	81,599 tons.
Pecans	296,524.63	5,116.92	291,407.71	2,292,759 pounds.
Prunes	2,653,229.20	2,358,207.89	295,021.31	20,007 tons.
Raisins	3,685,303.52	1,317,000.00	2,368,303.52	99,920 tons.
Tobacco	9,559,674.46	4,811,824.53	4,747,849.93	31,755,191 tons.
Turpentine and rosin	19,234,528.21	5,998,882.47	13,235,645.74	9,953,778 gallons of turpentine.
Wheat	40,775,960.59	640,162.68	40,135,797.91	69,134,694 bushels.
Wool and mohair	10,574,360.39	1,276,754.98	9,297,605.41	58,687,957 pounds.
Total	1,284,931,553.12	537,483,350.17	747,448,202.95	

<sup>1</sup> Disbursements to producers and commitments to banks and other lending agencies.

<sup>2</sup> Includes a balance of \$14,370,462.68 on cotton loans and \$1,019,748.01 on corn loans charged off after liquidation of collateral.

<sup>3</sup> Includes loans held by banks and other lending institutions which Commodity Credit Corporation has agreed to buy.

Based upon the valuation of assets made by the Secretary of the Treasury as of March 31, 1938, pursuant to the act of March 8, 1938 (Public. No. 442, 75th Cong.), losses on commodity loans aggregated \$92,422,740.32. In addition to such losses, administrative expenses totaled \$1,862,664.01, making a deficit as of March 31, 1938, of \$94,285,404.73, which amount was restored by appropriation authorized by the act of March 8 referred to above.

With the exception of the amounts charged off as shown above, the amount appropriated to restore the capital is not considered in the above statement and is carried as a reserve against outstanding loans.

*Disbursements and repayments on commodity loans, Commodity Credit Corporation, Feb. 1, 1939*

Commodity	Disbursements	Repayments and charge-off	Outstanding	Collateral
Butter	\$30,210,810.62	\$10,490,926.04	\$19,719,884.58	80,292,146 pounds.
Corn	165,369,155.23	155,062,131.09	10,307,024.14	18,610,186 bushels.
Cotton	623,616,133.71	348,212,538.47	275,403,595.24	4,919,012 bales.
Dates	61,302.00	61,302.00		
Figs	213,351.33	94,027.40	119,323.93	4,914 tons.
Hops	1,394,627.62		1,394,627.62	7,035,056 pounds.
Peanuts	12,207,271.31	7,154,475.70	5,052,795.61	81,599 tons.
Pecans	296,524.63	5,116.92	291,407.71	2,292,759 pounds.
Prunes	2,653,229.20	2,358,207.89	295,021.31	20,007 tons.
Raisins	3,685,303.52	1,317,000.00	2,368,303.52	99,920 tons.
Tobacco	9,559,674.46	4,811,824.53	4,747,849.93	31,755,191 pounds.
Turpentine and rosin	19,234,528.21	5,998,882.47	13,235,645.74	9,953,778 gallons of turpentine.
Wheat	27,532,856.96	640,162.68	26,892,694.28	49,226,574 bushels.
Wool and mohair	1,744,751.56	1,276,754.98	467,996.58	2,836,458 pounds.
Total	897,779,520.36	537,483,350.17	360,296,170.19	

Does not include loans held by banks and other lending agencies under contract to purchase.

Mr. VANDENBERG. Mr. President, I wish to offer an amendment, on page 2, line 4, after the word "loans," to add the words "or other obligations."

I think it is pretty generally agreed that the complete external opportunity which this Export-Import Bank should be permitted to confront in respect to the extension of credit is \$100,000,000. Obviously, without a limitation the bank could be used as an instrumentality in connection with the foreign policy, virtually in the nature of American sanctions. I know how the very distinguished Chairman of the Reconstruction Finance Corporation, Mr. Jones, feels about this matter, and I know that he wants this limitation to be a reality. I think the limitation grows perhaps out of a conference which we had upon the subject. But if it is to be a limitation, it should be a real limitation and should be comprehensive. The word "loans" is not comprehensive. The Export-Import Bank could have other commitments than loans. It could have discounts, it could sell its paper to the Reconstruction Finance Corporation and be rid of a loan so far as the loan as such was concerned.

We know from the story we have heard this morning respecting the Commodity Credit Corporation how these matters may be handled to circumvent the limitation.

Mr. WAGNER rose.

Mr. VANDENBERG. I do not say that invidiously.

Mr. WAGNER. So far as I am concerned, I see no objection to the amendment.

Mr. VANDENBERG. I was sure the Senator would not object.

Mr. WAGNER. I do not think the Senator's apprehension is well founded; nevertheless, if he is concerned at all, I see no objection to including the words he suggests.

The PRESIDING OFFICER. The clerk will state the amendment.

The CHIEF CLERK. On page 2, line 4, after the word "loans," it is proposed to insert the words "or other obligations."

Mr. BARKLEY. Mr. President, I am not objecting to the amendment, but I wish to make an inquiry. The loans there referred to are loans which are supposed to be made by the Export-Import Bank itself, resulting in obligations to it.

Mr. VANDENBERG. That is correct.

Mr. BARKLEY. It does not mean obligations which may be incurred to the Reconstruction Finance Corporation or any other body. Is it intended that this amendment shall work both ways, that there shall not be more than a hundred million dollars outstanding in loans to the Export-Import Bank and by the Export-Import Bank at the same time?

Mr. VANDENBERG. The thing is complementary; it works both ways, and it is supposed to work both ways.

Mr. WAGNER. Mr. President, should not that read "loans or other obligations outstanding at any one time in excess of a hundred million dollars"?

Mr. BARKLEY. Let me ask if this situation might arise: A limitation is placed upon the amount of money this bank can have outstanding in loans by it at any one time?

Mr. VANDENBERG. That is correct.

Mr. BARKLEY. Suppose it might, while that much money is outstanding in the form of loans, have other commitments which it could make in the way of loans provided it collects back part of this \$100,000,000 that is outstanding in the way of loans.

In the meantime, in order to be able to carry out such a program, it might make application for the advancement of a certain amount of money by the Reconstruction Finance Corporation, and the two would check each other off. Would they be denied the right to do that, under this amendment?

Mr. VANDENBERG. I would say it has no application to the loans the Export-Import Bank makes externally.

Mr. BARKLEY. I think it ought to be made clear that that is what its effect could be.

Mr. VANDENBERG. It could not be anything else, in my judgment.

Mr. BARKLEY. The loans referred to in the bill undoubtedly are loans this bank makes.

Mr. WAGNER. Loans the Export-Import Bank makes; yes.

Mr. VANDENBERG. That is correct.

Mr. WAGNER. What is the exact language proposed?

Mr. VANDENBERG. After the word "loans" to add the words "for other obligations."

Mr. BARKLEY. I suggest that after the word "obligations" the words "to it" be added.

Mr. VANDENBERG. Very well, "obligations to it."

The PRESIDING OFFICER. The clerk will state the amendment as modified.

The CHIEF CLERK. On page 2, line 4, after the word "loans," it is proposed to insert the words "or other obligations to it."

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. TAFT. Mr. President, I should like to make a short statement as to why I am in favor of the bill, in spite of some criticism which I think can be made of it. I voted for the bill in the committee.

So far as the Commodity Credit Corporation is concerned, it seems to me to be a very unsound policy to continue the making of loans after loans have already been made on 11,000,000 bales of cotton. I agree with the Senator from New York that that is a question of policy. Congress has adopted the policy, and until Congress changes it, I am willing to go along and provide the capital to make the loans.

So far as the Export-Import Bank is concerned, I feel that the bank has been used more as a means of effectuating purposes of foreign policy than it has for its real purpose of financing American exports abroad, and, if it were not for the limitation of \$100,000,000, I certainly would oppose the bill, or at least offer an amendment that no loans should be made to governments; but since the amount that can be loaned is small, and since I see no great danger in pursuing it, I am willing to continue the powers of the Export-Import Bank.

The PRESIDING OFFICER. The bill is still before the Senate and open to amendment.

Mr. GEORGE. Mr. President, I merely wish to make a brief observation. A question arose earlier in the debate with respect to the loans made upon cotton, as well as perhaps upon other farm products. It will be found that the first cotton loan was 12 cents a pound, which was made on the basis of  $\frac{3}{8}$ -inch Middling grade cotton. Subsequent loans were made at a lower figure.

When the Senate had under consideration the Farm Act of 1938 it will be recalled that we debated at some length the provisions which required loans to be made on the basic commodities covered by that act or dealt with by the Farm Control Act. It will be remembered that lending was made mandatory so far as cotton, wheat, and corn were concerned when the market price fell below a certain percentage of parity.

In the case of cotton the present loan rate was fixed at 8.3 cents on Middling  $\frac{3}{8}$ -inch cotton. Of course, the loan actually runs as high as 9 cents or slightly above on certain staples, grades, and lengths of cotton; but the basis of the loan is 8.3 cents, which is almost 52 percent of the parity price of cotton. So, the loan was fixed practically as low—not quite, but practically as low—as it could have been fixed under the law.

The question has now arisen whether the Commodity Credit Corporation exceeded its power and authority. It seems to me that a careful reading of the provisions of the Commodity Credit Corporation Act which grant it the power to make loans must lead to the conclusion that it has the power to make them, whether or not it has the money with which to do so.

I merely wanted to make this statement with reference to the Commodity Credit Corporation's transactions in cotton, but the same thing might be said about corn. I think if some of our friends will examine the corn-loan figure they will find that it is slightly above the market price of corn. Perhaps the same thing is true of wheat.

Mr. President, in this connection I wish to call attention to the fact that the loans made upon farm products, cotton, wheat, or corn, must be fixed at a certain time. That is to say, the loan must be made effective on a certain date. In the very nature of things the loan could not follow the market down and up, and nobody ever contemplated such a thing. When once the loan is fixed upon wheat, if thereafter the market should go down, it would manifestly be unfair to the producers of wheat to reduce the loan to the wheat farmers who were not able to deliver their wheat on the market on the very day when the loan was fixed. So, even when in 1934 the cotton-loan figure was fixed at 12 cents a pound, it was very little above the market, but there were, of course, variations in the market price thereafter. But the Government could not make fish of one cotton producer and fowl of another by reducing that cotton loan as the market went up or down during the cotton-marketing season. The same thing may be said of wheat. The same thing can, of course, and should be said of corn.

Mr. President, I think the Commodity Credit Corporation is not subject to any just criticism in making loans which at the present time do exceed in amount the \$500,000,000 plus the \$100,000,000 capital, because the Congress, in the Farm Act of 1938, morally at least, authorized any loan which would be necessary to protect the wheat growers, the corn growers, and the cotton growers. There is the authorization. The Commodity Credit Corporation was simply faced by a technical limitation, or a substantial limitation, if it is desired to put it that way, upon its own power to issue its own obligations, its notes, its bonds, its debentures, in order to get the money with which to comply with the congressional mandate. Here is the Reconstruction Finance Corporation, which was not created under the present administration. It had its origin under the preceding administration, but it has served the country well in a period of great crisis.

The Reconstruction Finance Corporation has the power to buy notes in the open market. It has the power to buy obligations, mortgages, if it wishes to do so. It has done so. The R. F. C. undoubtedly had the power, as I think, to buy the notes of the Commodity Credit Corporation. If it bought those notes without endorsement, if those notes were transferred to it, or it was agreed that they were to be transferred to it without endorsement, or without guaranty whatever, it seems to me that the Commodity Credit Corporation might well have said, "If this be true, we are still within the limitations on our powers to issue debentures from which to obtain the funds to comply with the mandate of the Congress."

Mr. President, I am not submitting what I am saying, however, as a technical justification for what was done. I desire rather to put it upon higher ground. I think the Senator from New York is quite right in choosing the higher ground. Congress created the obligation. That is, the Congress issued the mandate. The Congress provided for mandatory loans to preserve the great farm products—cotton, corn, and wheat—dealt with in the Farm Act of 1938. The Congress promised the farmers of these staples that if the price of their products fell below 52 percent of parity the loan would be made. The authorization for the loan is in the act. There is technical and moral authorization for the loan in the act. Then when the loan was fixed at 8.3 cents a pound on cotton—as low as it could be fixed practically—and thereafter there was a fluctuation in the price of cotton, and the Commodity Credit Corporation, of course, was called upon to make larger loans on cotton, for instance, than was contemplated probably at the time the loan was authorized, what was the Reconstruction Finance Corporation to do? To what other agency could the Government appeal? What other agency had the power to make good the moral obligation of the Congress, the moral obligation to over 2,000,000 cotton farmers who had restricted their acreage, who had complied with the requirements of the law on the faith of the mandatory loans at least in part provided for in the Farm Control Act of 1938?

So, Mr. President, it seems to me the Reconstruction Finance Corporation might say: "Technically we can buy in

the open market, if we please, or from any Federal agency, if we please, its obligations or obligations payable to it. We can buy notes. We can buy loans. We can buy mortgages." And if the Reconstruction Finance Corporation stepped into that breach, the Congress not being in session, it seems to me that under all the circumstances there is not the slightest ground upon which the Reconstruction Finance Corporation can be subjected to any just or fair criticism.

I wanted to make that statement because I think the operations of the Reconstruction Finance Corporation and the operations of the Commodity Credit Corporation, for that matter, have been of untold benefit to the American farmers.

The PRESIDING OFFICER. The bill is still before the Senate and open to amendment. If there be no further amendment to be proposed, the question is on the engrossing of the amendment and the third reading of the bill.

The amendment was ordered to be engrossed, and the bill to be read a third time.

The bill was read the third time, and passed.

The PRESIDING OFFICER. Without objection, Senate bill 1084 will be indefinitely postponed.

#### STATEMENT OF SECRETARY OF THE TREASURY ON TAXATION

Mr. BARKLEY. Mr. President, this morning the Secretary of the Treasury, at his press conference, issued a statement concerning the matter of taxation. I have before me a memorandum of that statement. I ask unanimous consent that it be printed at this point in the Record.

There being no objection, the memorandum was ordered to be printed in the Record, as follows:

#### MEMORANDUM ON THE SECRETARY'S PRESS CONFERENCE, THURSDAY, FEBRUARY 23, 1939

Frank Goodwin, of Central News, asked whether the Secretary could comment on the President's statement on taxes, made just as he was leaving for the Caribbean. The Secretary's reply was substantially as follows:

"We are studying taxes continuously. We have a large staff at work. I am very glad that the President made that statement. Speaking only for myself, the thing that bothers me is that businessmen I see have what I would call a 'what's the use' attitude about going ahead. I feel that that attitude is holding back normal business; that it is preventing businessmen from expanding their businesses and taking normal business risks. I sincerely hope that Congress will take a careful look at the tax law and see whether there are any deterrents that are holding back business and holding back businessmen from making future commitments. Businessmen ought to feel that the administration wants them to go ahead and take risks, and that the administration wants them to make money. Tax legislation should be of a nature that is not a deterrent to businessmen. We want them to make profits. After all, the President's message and his recent statement speak for themselves. I am merely saying how I feel personally. Of course, we must have additional revenue, but, in my opinion, the way to make it is for businessmen to make more money."

Asked whether he had any definite ideas for changes in the tax laws, the Secretary said he didn't want to be more explicit at this time. He added: "If Congress decides it will take a look we shall be glad to put our studies at their disposal. I hope they will."

Asked whether the Treasury had prepared any tax bill, the Secretary said that he personally had not seen any tax legislation for introduction at this session.

#### THE WORLD DAY OF PRAYER

Mr. DAVIS. Mr. President, recently the Senate adopted a resolution which provides that the Senate Chaplain shall offer prayer at the beginning of each day the Senate is in session. Under the old rule, prayer had been offered only at the beginning of each legislative day. Several months ago the distinguished senior Senator from West Virginia [Mr. NEELY] and I discussed this matter. As chairman of the Senate Rules Committee, he later submitted a resolution and asked for its adoption. It was agreed to unanimously.

In conference with the senior Senator from West Virginia, we agreed that although not all Members of the Senate might be present to hear the prayers, the regular institution of prayer should be faithfully observed, and that as a people we should continue our belief that God moves in the affairs of men, available for guidance and leadership.

Mr. President, tomorrow is the World Day of Prayer, and it seems appropriate that as we move from the inspiration which has come to us in the birthday celebration of George Washington, the Father of his Country, we should enter into the quiet spirit of the World Day of Prayer; for surely the

truest patriotism is the doorway to the world fellowship we seek. Our good will for our fellow men should begin at home, but it need not stay at home. All over the world today, in every land and sounded in every tongue, is the voice of prayer bidding men to cease from bloodshed and strife and turn their thoughts to nobler ways. This is my sincere hope and prayer as I bring this brief message.

Every day brings to my desk a flood of letters bearing the petition for peace. It seems that there is no limit to the number of men, women, and children who cannot rest until they have written of their abhorrence of foreign wars, and their desire that our beloved country shall keep the peace. This is an age of public opinion, and we want more, rather than less of it. I only wish I might have more hours to my day and some extra clerks in my office to help me with the great mass of mail which has kept coming in since the beginning of the Seventy-sixth Congress. I never saw anything to equal it. Yet I am glad that the messages bear the desire for more of good will and peace in the world.

On this, the World Day of Prayer, we should join with all thoughtful, reverent men and women everywhere who cherish these noble aspirations and warm sentiments. Let us continue to protect the eternal values of our public life which had their beginning in the lives of men who believed that religion is the true basis of democracy, and the only hope of lasting peace for our Republic.

The two most important problems now confronting our people are the unemployment of 12,000,000 persons and the position America must take in the realm of foreign affairs. The more critical of the two, and the one basic to both prosperity and peace, is unemployment. In recent years we have continually enacted emergency legislation which has fallen short of permanent value. There must be a program of industrial expansion and increased production. After all, it is the production of goods and services which creates wealth. Compared with the difficulties of war-torn Spain and China, our own troubles should seem comparatively simple. Here we have at our disposal everything necessary to create wealth and achieve a natural abundance. If our Government can subsidize the destruction of our national wealth, surely the procedure can be reversed, and industry and agriculture can be assisted in the maintenance of the abundance necessary to good times and reemployment.

Our people in the past have overcome greater difficulties than those which now confront us. With a true inspiration and a genuine faith in an all-wise Providence, America can again lift up her head and lead the world in flourishing activity.

Mr. President, our first duty in foreign affairs is to follow the teachings of George Washington. Let us not give lip service to the Father of his Country and forget his wise counsels. I believe our first duty as American citizens should be to refrain from taking any attitude which might involve our country in war. Let us keep America strong and at peace with ourselves and with the rest of the world.

Our unsolved problems of unemployment and relief still have first claim on our attention. Although my heart goes out in sympathy to every oppressed and needy group throughout the entire world, my first obligation as an American citizen is to devote myself to the utmost to the task of insuring that peace, good will, and full work opportunities for the unemployed millions of my fellow countrymen shall be established in our own land. I know of no problem in the world today that is so vital to world peace and international security as our own unsolved unemployment problem.

Mr. President, during the past week the splendid American Red Cross sent a shipload of wheat to the starving thousands of war-weary Spain. It had been sold by our Government as a surplus commodity at the nominal price of 1 cent a bushel and was transported free by our merchant marine. This food went not to the Loyalists or to the Insurgents as such, but to the Spanish people, a wonderful people, now needy and hungry. I am proud that our Red Cross and our Government cooperated in this mercy gift. We could do more. We should do more. However, I remind all our citizens of the fact that we were able to send this gift to the needy of Spain

because we had a surplus and not because we lacked it. While millions of wretched men and women in the far parts of the world, as well as in our own land, perish for lack of the fundamental necessities of life, it seems nothing less than a direct insult to the Almighty wantonly to destroy the gifts of food and clothing, the grain and the cotton, which have been made possible for us. I believe we shall some day be called to answer for these fundamental breaches of humanity and for these fatal errors.

Mr. President, it is not enough that we say we hate war. It is true that a great majority of the American people do hate war. We must continue to feel that way, and at the same time to do something constructive for the cause of peace.

As one who believes in good will and peace, I have introduced a Senate joint resolution, No. 47, seeking the authorization of the coinage of 1-cent pieces to symbolize peace. If this bill is enacted, it will mean that every cent piece in circulation in our land will be dedicated to peace. If every American penny is dedicated to peace, it ought to spell the difference between peace and war, so far as our country is concerned.

I hope that this joint resolution may become the law of the land. I hope that whenever a penny comes into the hands of our people they will think of it as a peace penny. Every cent in the United States Treasury will then be the agent of good will and peace. This is my sincere hope.

The peace penny will also mean that more pennies will be contributed to the institutions which seek actively to maintain peace in human relations. The school, the church, and the voluntary organizations in every field of American life will receive more because they are all devoted to the cause of peace.

#### INDEPENDENT OFFICES APPROPRIATIONS—COMMUNICATION FROM DIRECTOR OF THE BUDGET

Mr. BYRNES. Mr. President, I wish to say for the RECORD that a day or two ago, during the discussion of the independent offices appropriation bill, I stated that the Director of the Budget had failed to reply to a communication from the chairman of the Senate Appropriations Committee. I am informed that since that time the Director of the Budget has replied to the communication directed to him; and while I have not had an opportunity to read the letter, I understand that the chairman of the Appropriations Committee will offer it for the RECORD. I merely wish to advise the Senate that the Director has responded to the communication and in his letter has stated that his reason for not replying at an earlier date was due to his absence from the city.

#### ORDER FOR ADJOURNMENT AND AUTHORIZATION FOR REPORT AND SIGNING OF BILLS, ETC.

Mr. BARKLEY. Mr. President, I ask unanimous consent that when the Senate concludes its business today it stand in adjournment until 12 o'clock noon on Monday next, and that in the meantime all committees may be permitted to report bills, resolutions, and nominations; that the Vice President may be authorized to sign any bills that may become ready for his signature; and that the Secretary of the Senate may be authorized to receive messages from the House of Representatives.

The PRESIDING OFFICER. Is there objection to the unanimous-consent request of the Senator from Kentucky? The Chair hears none, and it is so ordered.

#### EXECUTIVE CALENDAR

Mr. BARKLEY. Mr. President, we have a very small executive calendar of diplomatic and postmaster nominations. I ask unanimous consent that, as in executive session, the nominations in the Diplomatic and Foreign Service, and the nominations of postmasters, may now be confirmed en bloc.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and the nominations are confirmed.

#### MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Chaffee, one of its reading clerks, announced that the House had disagreed to the amendments of the Senate to the bill (H. R. 3743) making appropriations for the Executive Office

and sundry independent executive bureaus, boards, commissions, and offices for the fiscal year ending June 30, 1940, and for other purposes; agreed to the conference asked by the Senate on the disagreeing votes of the two Houses thereon, and Mr. WOODRUM of Virginia, Mr. JOHNSON of Oklahoma, Mr. FITZPATRICK, Mr. HOUSTON, Mr. STARNES, Mr. WIGGLESWORTH, Mr. DIRKSEN, and Mr. CASE were appointed managers on the part of the House at the conference.

#### THE UNEMPLOYMENT PROBLEM AND IMMIGRATION

Mr. REYNOLDS. Mr. President, on the evening of February 14, I listened to an outstanding address delivered by our colleague from the State of Connecticut [Mr. MALONEY], pertaining to the unemployment situation in our country today and reflecting upon that condition which has existed for a number of years past. The subject of his address was Returning Men to Work. Frankly, I know of no more interesting subject at the present time, for the reason that, as we all know, today in the United States 12,000,000 men and women are out of employment and are seeking employment. After having listened to the address of the Senator from Connecticut on the evening of February 14, the following day I made inquiry of my distinguished colleague as to whether or not he was provided with additional copies in order that I might obtain one. He furnished me a copy. There are several statements in his address which I am desirous of reading to Members of the Senate, because I think those statements are entirely pertinent and important in this period of unemployment in the United States.

I have selected this subject—

That is to say, the subject of returning men to work—because it seems to me that almost all of the troubles of our country, and the world, arise from the fact that millions of men are unemployed.

For a number of years many millions of men in the United States, most of them heads of families, have been without steady employment. Among the masses of unemployed are young men and women, fortified with a splendid education, who have yet to get their first job.

No one can say that we have made progress toward a correction of the distress of unemployment. Take the Government relief program away from the country—abandon the policy which we have practiced—and we are right back where we were in 1932 insofar as unemployment is concerned.

I may add, Mr. President, in reference to this problem, that, from all indications, it does not seem to me that we are going to bring about employment for the unemployed outside of a war, but I wish to say in this connection that I would rather continue to have millions upon millions of unemployed men and women than to have our country become involved in another bloody war.

The Senator from Connecticut continued:

Distasteful as it sounds and is, existing conditions mean that approximately one-third of our population is without employment, or at least without employment in private industry.

One-third of the people of the United States of America today are without employment, despite the fact that since the spring of 1932 we have expended billions of dollars in an earnest effort to provide employment for the unfortunate men and women who today are walking the streets in search of honest work. Unemployment, therefore, is, indeed, a mammoth problem. As a matter of fact, it is difficult for any of us to make suggestions as to methods and means by which relief for the unemployment situation may be provided. More than one-third of the people of America are out of employment, despite the fact that 3,000,000 of our people are on the relief rolls, and, in addition to those 3,000,000, there are 4,000,000 people in the United States who are working either for the Government of the United States or for the respective State governments of the 48 Commonwealths of the Union or for the political subdivisions of those Commonwealths. That to me is an appalling situation, and it becomes increasingly distressing when we reflect upon the statement of fact that 80 percent of all the unemployed in all the

world are to be found within the confines of the United States of America.

With 3,000,000 upon the pay rolls of the Government because of contributions it has made to provide work—3,000,000 unfortunate and God-fearing and deserving men and women on the W. P. A. pay rolls—it is indeed appalling to my mind to find American citizens who are asking that we let down our immigration bars and permit millions from foreign shores to come to the United States in face of the fact that today we have more than 12,000,000 men and women out of employment. For the life of me, Mr. President, I cannot understand how anyone being interested in the 12,000,000 unemployed American men and women can advocate opening wide the gates of immigration in order that people from foreign shores may be permitted to come here and compete with American citizens who are already holding jobs and to vie with the unemployed who are seeking jobs; and, unfortunately for American citizens, it appears, and I think can be proved, that the great majority of those who today are coming to the United States from foreign countries are provided with jobs the minute they arrive here, whereas many Americans who have been out of employment for years cannot get jobs. I wish to state again that I think we should close the immigration gates of this country, certainly for the next 10 years, or until such time as every man and every woman of the 12,000,000 now unemployed has been successful in obtaining a job.

Let us see about this. I am indebted to my colleague from Connecticut for the very fine address delivered by him on the evening of February 14. I wish to bring to the attention of the Senate a newspaper article which appeared in the New York World-Telegram of the issue of Thursday, February 9, 1939. The article to which I refer is on the front page of the aforementioned newspaper. The headlines read as follows:

FOUR THOUSAND WOMEN KEEP VIGIL FOR 12 JOBS—SLEEPLESS NIGHT OVER, THEY REGISTER; GIRL FAINTS IN CRUSH

Upward of 4,000 women answered dramatically today the question: "Would the unemployed and the relief recipients take a job if they could get one?"

From the thousands who filed through the Two Hundred and Forty-fourth Coast Artillery Armory, 12 will be rewarded with the prize all are seeking—a job at \$18.47 a week, washing test tubes, cleaning cages of rats and guinea pigs, and scrubbing floors and sticky benches in the laboratories of the New York health department.

At the head of the weary line, which finally began to move at 9 a. m., were several hundred women of all ages whose red-rimmed eyes and rumpled clothing testified that they had spent a sleepless night.

Think of it, Mr. President. Four thousand hungry, undernourished, unfortunate American women in line, seeking jobs paying only \$18.47 a week.

#### GIRL FAINTS

One girl fainted during the morning rush, but there was no disorder.

The municipal civil service commission, which knows better than anyone, perhaps, how eager the jobless are for work, had made fore-sighted arrangements for today's registration.

According to law, it is first come first served for such menial jobs as laboratory assistants. After the registrations, the first 12 women who can pass physical examinations and who can read, write, and speak English will get the jobs. But the list made up today will be kept for 4 years, and from it may be selected a few women to replace those who leave civil-service jobs as scrubwomen.

#### ARMORY ENGAGED

Having seen several hundred men scramble and riot a few weeks ago when registrations were taken at the municipal building for porters' lists, the commission engaged the armory.

The line outside the armory started forming at 8 a. m. yesterday. The first ones, sitting outside in chairs furnished by the Salvation Army, kept their places until late afternoon.

At 4 p. m. yesterday, when the doors of the armory were opened so that the applicants would not have to wait all night in the cold, there were approximately 100 women present.

#### THE LINE GROWS

Throughout the night the line grew. There were old women, dressed in little better than rags—

These were American women, Mr. President—and smart youngsters from college.

### American college boys and girls, Mr. President.

By midnight 239 had checked in and been assigned places in line.

They were permitted to sit in the balcony of the armory, and there they passed the night, wrapping themselves in their coats, chatting aimlessly, trying vainly to sleep.

And, I add, or perhaps to keep warm.

At daybreak there were 600 women signed in at the armory and 30 more waiting in the line outside.

At 8:15 a. m. the armory was full. There were 1,500 women inside. The early birds got seats on the benches and chairs. The later arrivals stood in numbered lines stretching across the armory floor.

At exactly 9 a. m. the line began to move.

The first woman to sign up was she who had given her name to reporters yesterday as "Mrs. Lily Heffernan." She disclosed that she was in reality Mrs. Frances Culhane, and for reasons of her own she wanted to keep her address to herself.

#### WOMEN QUESTIONED

Reporters walked up and down the lines, questioning women at random. Some were uncommunicative, others wanted to tell their stories.

A pretty blond, who seemed to be in her early thirties, said she was the former Juanita Clark, once of the Ziegfeld Follies.

"You'll probably find clippings about me at your office," she said. "Now I'm Mrs. Gladys Sonnenberg, of 117 West Ninety-second Street.

"I need the money, and I've looked around everywhere for a job. I've had four jobs offered me recently, but the best one paid only \$12 a week, and there was no future in it."

#### TWO APPLICANTS FROM SOUTH

Two girls, who had come from Atlanta 4 months ago, seeking their fortune in New York, said their savings had run out. They were Ida Rosen, 21 and red-haired, and Ruth Livingston, also 21, a blond.

Several of the younger women said they were college graduates, and there were half a dozen girls from Hunters College, hopeful of being selected for the jobs by the time they graduate.

#### LOOKING TO THE FUTURE

Think of a situation of that sort. Picture it in your mind, Mr. President. Here are young American girls, college students, some of whose parents no doubt are making sacrifices daily in order that they may provide opportunity in the form of education for their children; and these girls in college, recognizing the plight of America today, are leaving the classrooms, leaving their respective colleges, and going to New York, where they saw these jobs advertised, with the hope that finally, when they finish, they may not experience difficulty in finding employment.

Several of the older women spoke of their grandchildren. Those who were willing to talk at all invariably stressed the fact that they were in need of work because they were widows or women whose husbands were ill.

#### CHANCES FOR JOBS

Even those at the end of the line were hopeful, though Paul J. Kern, president of the municipal civil service commission, said he expected to fill all of the jobs now available from the first 150 applicants.

The applications were taken at the rate of 400 an hour by the 20 clerks, 2 notaries, and 3 fingerprint experts who composed the civil-service staff.

A notary fee of 25 cents was collected from each of the applicants. Those who did not have the money were permitted to sign up anyway, with the understanding that they would pay later. There also will be a fee of \$1 for the physical and literacy examinations, which will start some time next week.

#### CRITICIZES LAW

Mr. Kern took occasion to criticize the law which requires that the applicants be chosen in the order of their qualification. He said that he would recommend an amendment to permit applicants to be chosen competitively or by lot.

Throughout last night police were stationed at the armory to preserve order.

#### COAST ARTILLERY PRACTICES

On the floor of the armory during the evening there were practice maneuvers of the Two Hundred and Forty-fourth Coast Artillery, a few tennis matches, and two basketball games.

The entertainment ended at midnight. From then on the vigil grew less interesting, but because of the anxiety of waiting few of the women got any sleep.

Mr. President, here on the second page of the New York World-Telegram are reproductions of some photographs that were snapped in the armory that night, and above those photographs I see the printed words:

Women sleep all night in armory as 4,000 seek 12 jobs.

In the face of our 12,000,000 unemployed, in the face of the fact that we have here a statement through the press to the effect that the unemployment situation is so distressing that 4,000 American women, among whom are numbered college girls, are seeking a mere thimbleful of jobs, 12 jobs, there are American citizens who are asking that we receive here those from foreign shores who seek an asylum in this land of ours.

By the way, Mr. President, I wish to mention the fact that there has been introduced in this Congress by my distinguished colleague, the senior Senator from the Empire State of New York [Mr. WAGNER] a bill providing for the admission to the United States of America of 20,000 children, refugees from Germany.

Mr. President, I desire to state to you and to the fathers and mothers of America that I am going to fight with all my might the passage of that bill. If the press desires so to do, if the editorial writers of the country desire to attack me, describing me as being heartless and cruel, I do not care.

I wish to state that I do not care what the press says about me and my attitude on these matters so long as I may bring those subjects to the attention of the American people.

I now take the opportunity to state that I propose to fight the passage of that bill, and I will tell the Senate why. I propose to fight the bill because if we permit 20,000 refugee children, all of them under the age of 14, to come into the United States, under the terms of the bill, those 20,000 children 5 years from now, according to my information, will have attained to the age of 19, and those 20,000 children at the age of 19, boys and girls, will be seeking jobs in this country which belong to the sons and daughters of American fathers and mothers.

I have just read to the Members of the Senate an article from a New York newspaper describing how 4,000 poor, undernourished, underfed, hungry American women were seeking 12 little jobs paying \$18 a week, and amongst the 4,000 were college girls 18 and 19 years old. My heart goes out in sympathy to the refugee children, but, I repeat, my heart beats in sympathy first for American sons and daughters in preference to the children of fathers and mothers of any other nation in the world. If we permit them to come into this country, we are simply providing competition for the sons and daughters of American mothers who at that time likewise will have attained to the age of 19.

Mr. President, that is not all. If we permit that wedge to enter into the immigration laws of this country—and it will be a wedge—we will find that within a few years the fathers and the mothers of those refugee children will be seeking admission to the United States, because they will want to reunite here on our shores. That today is one trouble with our immigration laws, and the great trouble.

A man is here and his wife is over in Europe, or a man is here and his family is back yonder, and it is said that we who are fighting to protect the American people and to close securely the immigration gates are cruel because we will not permit the wife and the children of a man here to reunite with him upon American shores. I say it is not cruel. If I may be pardoned a personal reflection, I say it evidences good sense. We say to those people, reassemble, reunite, on the shores from which you came. To permit 20,000 children to come into the United States will provide an entering wedge, and there will be another request to reunite here 20,000, 30,000, or 40,000 aliens.

Senators, we have arrived at the time when the people of the United States have to begin to think about their problems here at home. We have arrived at the time when the American people are demanding that we look after their interests, and not wander over the earth spending all our time and thought on those who reside outside of continental United States.

I see here today honoring me with his presence at this hour the junior Senator from Texas [Mr. CONNALLY], and I am reminded that recently the members of the General Assembly of the Lone Star State of Texas had something to say in regard to the enforcement of the immigration laws of

this country. In his State the people are thoroughly exercised about the matter. They have been greatly troubled, attributable to the fact that Texas is bordered by the Rio Grande, beyond which are 16,000,000 or 17,000,000 Mexicans. I am reminded that one day not so very long ago, in 1935, I was in the city of San Antonio, which has a population of about 300,000, and of that number about 150,000 are Mexicans. I was traveling on a Sunday through a park and saw a man standing on a goods box delivering a speech in Spanish. I inquired what he was talking about, and was told that he was raising hell because the W. P. A. was not paying him enough. [Laughter.]

Mr. CONNALLY. Mr. President—

The PRESIDING OFFICER (Mr. LEE in the chair). Does the Senator from North Carolina yield to the Senator from Texas?

Mr. REYNOLDS. I am glad to yield.

Mr. CONNALLY. I suggest to the Senator that the same thing is occurring in many other sections of the country, in many places other than San Antonio, Tex.

Mr. REYNOLDS. Certainly; it is occurring all over the country.

Mr. CONNALLY. I may also say to the Senator that many of the people in San Antonio who are of Mexican blood are native-born citizens—

Mr. REYNOLDS. I understand that.

Mr. CONNALLY. San Antonio being a very old city, one of the earliest settlements in the Southwest.

Mr. REYNOLDS. San Antonio is, of course, one of the most interesting and historical cities anywhere in the United States, the seat of the Alamo, and a very beautiful city, incidentally. I always like to be provided the opportunity of refreshing myself, historically and otherwise, by paying a visit there, but principally I like to be refreshed by finding myself in the State so ably represented by the handsome and gracious Senator from one of the greatest Commonwealths in the United States. [Laughter.]

Mr. CONNALLY. Mr. President, I had intended to interrupt the Senator, but after that brilliant burst of language, gallant even if not accurate, I would not in any wise consume any of the time of the Senator from North Carolina. I rose to advert to the fact that, while the Senator delights to refresh himself when he comes to San Antonio, we are always very happy, our Commonwealth feels greatly honored, when we have the privilege of entertaining the distinguished and eloquent Senator from North Carolina.

Mr. REYNOLDS. I am very grateful to the Senator. It is so very rarely that I hear anything nice about myself that the Senator's words are music to my ears. [Laughter.]

Mr. President, since I have mentioned Texas, I may say that I happen to have in my hand a clipping from the Weekly Dispatch of San Antonio—that delightfully interesting and historical city—of January 13, 1939. A convention of printers was held in that city. I like printers very much. I have found that in my State of North Carolina those who do the mechanical work of making up newspapers are always for me, while the editors are always against me; but I thank Heaven there are more printers than there are editors, so that I may add that I have fared very nicely.

I wish to read a resolution adopted by the printers at the State convention which took place in the Senator's State:

#### RESOLUTION

Whereas Senator REYNOLDS, of North Carolina, has drafted a bill to be presented before Congress intended to suspend all immigration to this country for a period of 10 years "or until every unemployed American is back at work," and also is preparing measures to deport every alien criminal in America and to require compulsory registration and fingerprinting of aliens; and

Whereas in June 1938 there were 443,196 war veterans registered with employment offices and seeking jobs; and

Whereas this local deems it essential that every effort possible be directed to relieve the unemployment situation in this country; and

Whereas the immigration of aliens to the United States causes not only the swelling of the unemployment ranks, the increase in crime, the lowering of the American standard of living, and the spread of isms foreign to this country: Therefore, be it

Resolved by San Antonio Typographical Union, No. 172, in session assembled this 8th day of January 1939, That this local

heartily endorses Senator REYNOLDS in his efforts to introduce legislation to curtail immigration; and be it

Resolved, That telegrams be sent to our Senators and Representatives in Congress urging them to help and support the Reynolds bill; and be it further

Resolved, That a copy of this resolution be sent to the Typographical Journal for its publication, to the Weekly Dispatch, the San Antonio Express, San Antonio Evening News, and the San Antonio Light, and that our delegates to the San Antonio Trades Council and the Allied Printing Trades Council be instructed to present this resolution before their respective bodies. That a copy be sent to the legislative committee of the American Federation of Labor, and the legislative representative of the Texas State Federation of Labor, and to Senator REYNOLDS, of North Carolina.

I thank the gentlemen of the Typographical Union affiliated with that local in San Antonio, Tex., for their very complimentary remarks embodied in the resolution which I have happily been privileged to bring to the attention of the Members of this body.

Mr. President, reflecting upon the portion of the resolution I have just read in reference to aliens on our shores, thinking again of the troubles we are experiencing in this country, and particularly since we read a great deal about the meeting held night before last in New York, I wish again to remind the Members of this body that the political battleground of the "isms" of the world today is right here in the United States of America. The political battleground of the "isms," the foreign "isms" of the world, is right here, and the battle is now raging. Let us see: Since July 1936, when the revolution in Spain began, ancient Spain, historic Spain, beautiful Spain, has been a physical battleground, and the battle has been waged on the one hand by the Communists of Russia and on the other hand by the Fascists and the Nazis of Germany and Italy. Everyone knows that to be a fact. Ask any newsman who has just returned from abroad and what will he tell you? Make inquiry of anyone who knows, and what will he tell you? He will tell you that the physical battleground of the "isms" of the earth since July 1936 has been on the soil of Spain. But when we step across the wide expanse of the blue waters of the Atlantic we find that the political battleground of the "isms" of the world is here in the United States of America.

Night before last there took place in the city of New York a meeting of those constituting the "bund," and if we are to believe the press reports there were sandwiched into Madison Square Garden more than 27,000 persons who had paid an admission fee of \$1 each. Those persons are members of the Nazi "Bund"; they are members of the Fascist "Bund." We are told by the press that outside of that mammoth hall, Madison Square Garden, 20,000 or more Communists, enemies of those in the meeting, were rioting. That was a meeting which was held in the city of New York, and I dare say, and I am ashamed to say it, that it would be difficult to hold a meeting spontaneously in any city in the United States to discuss nothing but Americanism, and get 27,000 people to attend, even if no admission charge were made.

This morning I had a conference in my office in the Senate Office Building with gentlemen who represent the largest patriotic societies in America, and those who represent one organization of the heroes of the World War, our war veterans. We were discussing the matter which I have seen fit to discuss here today, and I made the statement to them that, in my opinion, the more than 150 patriotic societies of America had done a great deal for our country, but the difficulty was that we, you and I, who are affiliated with the fraternal organizations which stand for Americanism, pull down the windows and close the doors, and we puff, and blow, and sweat, and talk Americanism and patriotism, but we waste that energy upon those who are affiliated with us in those fraternal organizations. I suggested that what we need today is a public forum where the more than 150 patriotic societies of America may defend America and uphold American principles and traditions.

I wish to state to the Senate that within the past several weeks I have received many thousand letters from people all over the United States who favor the program in which I am interested and which I am discussing in the Senate of the United States. I have received so many such letters that I

thought it would be a marvelous opportunity to assemble, to band together, the patriots of America who were desirous of saving America for Americans. So I reached into the air, so to speak, and I brought forth the word "vindicators," meaning those who defend, and I have employed the word "vindicators" in description of this mass national American movement, because I feel that today America of all times must be defended and that Americanism and American patriotism must be brought to the fore.

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

Mr. REYNOLDS. I yield.

Mr. LUNDEEN. I wonder if the Senator would include among the patriotic societies those societies, organized and based on foreign propaganda, that want to save the world, and if he would include among the patriotic societies those groups that are always extending their hands across the sea.

Mr. REYNOLDS. The Senator has propounded to me a question which for the moment perhaps would prove a little embarrassing, for the reason that I have made it my policy throughout my life never to refer to anyone at all if I cannot speak good of him. Consequently, I should rather not have anything further to say about that matter. Those who believe in reaching hands across the sea are in opposition to those with whom I find myself in accord, who stand for America first, and who are desirous first of keeping the United States out of war by staying clear of any foreign entanglements or embroilments, by attending to our own business and keeping our noses out of the domestic affairs of other nations, by providing an adequate national defense for defense only, and providing neutrality laws which will be properly administered so that we will not get into war. That is No. 1.

No. 2. To register and fingerprint every alien in America, in order that we may know how many aliens are within the confines of the United States, where they are, and what they are doing here, so that if we were to become involved in war that information would be available, for every alien would be a potential spy or enemy in case we should become embroiled in war. The Senator knows that those potential spies and enemies, boring from within like termites, which cannot be seen or heard, would be more destructive and detrimental to the United States in war than would the cannons of the enemy, for cannons could be located by our aviators.

No. 3. Do not permit a single immigrant to come to this country within the next 10 years, or until such time as every American is employed.

No. 4. Banish all the foreign "isms" in this country, and let us hear a little something about Americanism.

Returning to the subject of the conversation I had this morning with representatives of the soldiers of the World War and the representatives of other patriotic organizations, I am ashamed to say that when we were discussing the proposal to hold a mammoth meeting in the city of Washington to demonstrate that the American people are interested in Americanism, and offset some of the tremendously large meetings held in other sections of the country, we were afraid we would not now find the people sufficiently interested in the question of immigration, in the matter of keeping America out of war, or in the spirit of Americanism, to bring about the attendance at such a meeting of half as many people as attended the meeting held Tuesday night in the city of New York.

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

Mr. REYNOLDS. I yield.

Mr. CONNALLY. Will the Senator tell us why we do not deport from this country those aliens who do not take out citizenship papers, and who violate or who are supposed to have violated our laws? Is the law defective?

Mr. REYNOLDS. I should say to the Senator that the machinery of operation is not properly oiled. I know the Senator from Texas was extremely interested last year and the year before in the question of deporting from this country alien criminals who were being held here. The Senator

will recall that we had before us the names of more than 3,300 criminal aliens who had been arrested, who were under bond, who were being forcibly detained here, when in truth and in fact they ought to have been sent back where they came from.

They were detained here because the Department of Labor said, "These people should not be deported. By so doing families will be broken up."

Those cases were described as hardship cases. I went to the Department of Labor and personally asked the man in charge to pick out for me 25 or 50 of the so-called hardship cases. I did not want to pick them out myself, because if I had done so some Member of this body would say that they were the worst cases, and that I had gone there and selected them. I had them picked out and I discussed every one of those 50 cases on the floor of the Senate. I showed that in 9 out of 10 cases which were handed me by the representatives of the Department of Labor the Department was holding criminals in this country in violation of the laws which Congress had enacted. I found that 9 out of every 10 were cases of criminals with bad records. If any Senator disputes my statements, I shall be very happy within the hour to send to my office and obtain pamphlets containing the typewritten records which I compiled at that time.

Mr. President, I am happy to see some Members of this body interested in this subject. I know that the American people will be happy to learn that the Members of this body are interested in this subject, because it is fundamental to our present and future happiness.

In speaking of those who come to this country, I recall that last fall I visited 13 or 14 countries in Europe, and while traveling in England, France, Spain, Italy, Algeria, Greece, Bulgaria, Rumania, Yugoslavia, old Hungary, and Czechoslovakia, I made inquiry about the things in which I am interested, and in which I know Senators are interested, in connection with the question of immigration. I recall that while I was in Sofia, the capital of Bulgaria, I talked to one of our representatives there. I was making inquiry everywhere as to the type of persons who were trying to gain admission to this country, or to return to this country.

Do not misunderstand me. Let me make myself clear. I think any man who comes from foreign shores to this country, and who voluntarily makes application for and is granted American citizenship, may be just as good an American as you or I. He is an American by choice. We are Americans by birth.

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

Mr. REYNOLDS. I yield.

Mr. MINTON. I understand that Mr. Fritz Kuhn, the head of the German Bund, came to this country of his own choice and took out citizenship papers. Does the Senator consider him a good American citizen?

Mr. REYNOLDS. Of course there are exceptions. I am speaking generally of the American people. We know that those who have come to the United States and have been naturalized have contributed greatly to the progress of America. I do not consider any man a 100-percent American citizen who preaches anything but the fundamental doctrines of Americanism.

Mr. MINTON. Of course we will all agree with the Senator's ideas about the foreigner. What does the Senator think about the Americanism of American citizens who join the bund? I hope the Senator will discuss that question.

Mr. REYNOLDS. I will say to the Senator that I cannot picture in my mind any American citizen interested in the continued progress of this country affiliating with any organization which does not stand 100 percent for the principles of the United States of America. I am glad the Senator from Indiana brought that question to my attention. In cities all over the United States we find those who are bringing to the forefront the doctrines of the nations from which they come, whereas the mammoth meetings in the country should be held for the purpose of dealing with the problems with which we

are today confronted, all of which are the problems of America, involving the spirit of American patriotism.

I wish to repeat what I stated a moment ago, that we have largely lost sight of Americanism. When we pick up a newspaper, what do we find? We find that many of the articles contributed to the editor in the public forum interest themselves in subjects having to do with the affairs of nations abroad.

A moment ago I spoke of being in Sofia, and making inquiry everywhere as to the type of persons who wish to come to America, or to return to America. One representative of the diplomatic corps in Sofia told me about a man who had come to him in an effort to return to the United States. The case was so ridiculous that I asked the official to prepare for me a memorandum of the case, which he did. Here it is. This is a memorandum of a conversation between the applicant and the consul:

The conversation which took place yesterday was about as follows:

APPLICANT. I want a visa to go back to the United States. When I was deported, the inspector told me I could apply for a visa after about a year.

CONSUL. Why were you deported?

APPLICANT. For entering the United States illegally.

CONSUL. When was that?

APPLICANT. In 1912. I was just a boy.

CONSUL. If your entry into the United States took place as long ago as 1912, there must have been some additional reason for your deportation now.

APPLICANT. I think it was because they heard of that \$475.

CONSUL. Tell me about that.

APPLICANT. Well, one night we had a few drinks and went up to the sixth floor of the — Hotel, where we played a game, and one of the boys said I stole \$475. I was indicted for it [exhibiting newspaper clipping], but they told me that the case would not come up for trial if I agreed to being deported.

CONSUL. But if the case did not come to trial, there must have been still some further ground for deportation.

APPLICANT. I think that in their investigation they found out about my trips to Canada and back.

CONSUL. What did you go to Canada for?

APPLICANT. I was doing a little smuggling in narcotics.

CONSUL. I think it will be better for you not to try to go back to the United States. It would be better to find a job here. What is your trade?

APPLICANT. Well, I never had any trade exactly. I can drive a car very well, but the local authorities refuse to give me a license because I have not the necessary education.

CONSUL. But you speak very good English and give the impression of being quite well educated.

APPLICANT. Yes; but that was all in the United States. For 3 years I had regular lessons and lots of time to study. That was while I was doing time in the — State Penitentiary.

CONSUL. What was that for?

APPLICANT. I got 3 years for grand larceny.

CONSUL. Then it is out of the question that you could be readmitted to the United States.

APPLICANT. But what about my little boy? I left him there.

CONSUL. Who is taking care of him now?

APPLICANT. His mother, but we are divorced, and the judge said that because the mother was not a woman of good character, he gave the custody of the child to me. My wife is a bad woman, and I want to take care of the boy myself. [Exhibited copy of divorce decree.]

CONSUL. I think that the authorities would not consider that as sufficient grounds to readmit you. Have you any other claims?

APPLICANT. Well, what about my other wife?

CONSUL. You mean that you married again after your divorce?

APPLICANT. No; it was before, but we never bothered to be divorced, and I do not think that the authorities found out about it.

That fellow wants to return to the United States!

A moment ago I made mention of young girls in college, who are still attending classes and who know that the unemployment situation is troublesome in this country, joining a throng of 4,000 women seeking 12 jobs. They went to college hoping that when they graduated they would not have such a hard time obtaining jobs. Today we have cases of mothers and fathers spending their last dollar to send their sons and daughters to college to become professional men and women. The outlook is very discouraging to them.

I wish to read a few letters which I have from time to time clipped from the newspapers. I have before me a letter which was published in the New York Herald Tribune of February 19, 1939, on the subject of the future of refugees. I think it is a very sensible communication. The correspondent says that in due time the refugees will compete in the struggle for jobs. I will read what the writer of this

communication says. His name is George Acker, of Little Ferry, N. J., and his letter is dated February 14, 1939:

LITTLE FERRY, N. J., February 14, 1939.

TO THE NEW YORK HERALD TRIBUNE:

I have read with great interest your editorial anent the child refugees, and, though I am in full agreement that their lot is an unfortunate one, I, nevertheless, cannot help but comment on a few corollaries that would follow the admission of 20,000 foreign children into this country.

These children would not compete in American labor markets—not now. But in 5 years they will create quite a problem for the American-born child, who will then find himself competing for his heritage. The bill introduced by Senator WAGNER would simply allow these refugee children to be brought in by those already willing to receive and support them. Who are these people? Are they unaware of the fact that there are thousands of children in our own United States who are in need of succor, or aren't these philanthropic-minded persons interested in the needs of American children?

It seems to me that people grow hysterical about the unfortunates of other countries and at the same time are cold and aloof to the needy of their own land. Perhaps this is due to the fact that far greater publicity is given to the unlucky somewhere else. It puffs up the national ego to point out how badly those of other nations are faring, and we feel very magnanimous when we give assistance; our philanthropies have flowered from the flooded wastes of China to the battle-scarred fields of Spain, but we have been so busy taking care of these flowers that the few seeds sown in our own backyard have dried and withered.

There still are millions of unemployed in the United States, and thousands of children of the unemployed, children who have quite as much need of help as do the children who are not wanted in Germany. While we must sympathize with these poor youngsters, we must not lose sight of the fact that our first thought should be to our own, that charity begins at home.

There are many, many orphans in our own country, children who have not even the memory of their parents. And the ragged children in the slums of our large cities and in the shacks and hovels of our more rural sections.

Every liner arriving from Germany disembarks refugees on our shores. By various interpretations of the laws, by this means and that, thousands of these people in excess of the quota have been allowed to enter our country. Of course, every one of them has a job awaiting him and so does not become a burden to us; but the man whose job he has taken finds himself on relief! I cannot believe that the jobs were especially created for the incoming refugees; if that is true, why weren't the jobs created years ago for the unemployed American citizens?

You cannot get around it; either the jobs these refugees are getting means an unemployed American for every employed refugee or else it means that jobs can be created for refugees but not for our native sons.

GEORGE ACKER.

Mr. President, referring to the fact that there are hundreds upon hundreds of refugees, professional men and women, doctors, lawyers, dentists, and nurses coming into this country from foreign shores to supplant our own professional men and women, I ask that an article entitled "Refugees Unlimited," in the February issue of a monthly magazine published at Rutherford, Va., Medical Economics, and having a circulation of 130,000, be made a part and portion of my remarks. It deals with the subject of the influx of the thousands of professional men and women, nurses, lawyers, doctors, and dentists who are coming from other sections of the world to the United States to compete with our own professional men and women.

The PRESIDING OFFICER (Mr. SCHWARTZ in the chair). Without objection, the article will be printed in the RECORD.

The article referred to is as follows:

#### REFUGEES UNLIMITED

(In the preparation of this article many private, professional, and governmental agencies were consulted. Consequently the opinions presented here are not those of any single organization or individual. Following is a partial list of the sources contacted: United States Department of State, Self Help for German Emigrés, Inc., United States Immigration Service, emergency committee in aid of displaced foreign physicians, 47 United States consulates abroad, Boston committee on medical emigrés, medical society officers or medical examiners in Alabama, Colorado, Georgia, Illinois, Minnesota, Missouri, New Jersey, New York, Pennsylvania, and Tennessee.)

Today, through American ports of entry, flows a steadily mounting stream of foreign doctors.

Fleeing the oppression of dictators or economic hardship they are coming in droves from Germany, Austria, Spain, Czechoslovakia—even Canada—to hang up their shingles in the land of the free and home of the private patient.

Waiting to welcome them are the newspaper "sob sisters," whose livelihood has long consisted of drumming up pity and custom for the downtrodden; sympathetic immigration officials, to give some of them preference in the quotas; amenable boards of regents, to grant them licenses without examination; crusading labor lead-

ers and some two dozen or more refugee organizations devoted to finding a place for them in an already overcrowded profession.

Needless to say, no such advantages exist for the American practitioner. No newspapers publicize his economic oppression. There are few spokesmen for the Americans forced out of practice by tactics regarded on this side of the water as unethical. And as for medical societies with the temerity to inquire into the indiscriminate licensing of alien M. D.'s, they may be disposed of, as was at least one, with the rejoinder of State officials that it is "none of their business."

Nevertheless, facts gathered by Medical Economics indicate a growing belief that the problem of alien competition is very much the profession's business. Investigators for this magazine, who interviewed members of licensing bodies, leaders of organized medicine, individual doctors, immigration officials, many refugees themselves, as well as the bodies organized to aid them, found the consensus of opinion to be as follows:

American doctors sympathize with the plight of colleague victims of European discrimination. At the same time, they feel that the traditional generosity of American medicine should not be strained to the point where it would sacrifice our economic security for theirs. They would not, in a word, let sympathy interfere with good judgment.

In contrast with other nations, several physicians declared, the United States has already been overgenerous in accepting alien practitioners. Were the situation reversed, they ask—with American doctors becoming refugees from the United States—would they be permitted to set up practice in foreign countries on the basis of their American qualifications?

They would. But only in Morocco, Siam, Ethiopia, or Iraq! Strange as it may seem, none of the other 43 nations (all European countries included) surveyed by Medical Economics would even consider licensing citizens of the United States in this way.

Exactly how great a rise has taken place in medical immigration during the past few years is not known, as Government figures are not analyzed to a point of specifying doctors of medicine. However, the influx of professional men in general is reported by the United States Immigration Service, as follows:

1935.....	2,277
1936.....	2,588
1937.....	4,162
1938.....	5,463

The Immigration Service is also authority for the statement that during the past 4 years, 1,008 M. D.'s have entered the United States from Germany and Austria alone. From Europe generally, a leading refugee organization estimates, the immigration rate is now 1,000 physicians each year!

It must be remembered that medical refugees from what was formerly Austria have not yet affected immigration totals to any great extent. They account for only 10 percent of the combined infiltration from Germany and Austria during the past 4 years. Already, though, because of political conditions abroad, the number who are coming to the United States has begun to multiply rapidly.

The growth in immigration is reflected by the steady yearly rise in the number of foreign medical-school graduates being licensed (though an increasing percentage of Americans are among the 1930-36 groups). Of 167 who were examined in 1930, some 44.9 percent failed; in 1937, 919 were tested, with only 30.7 percent failing. This decline in percentage of failures was effected gradually in the years between, pointing to this significant fact: That while foreign-trained applicants have increased each year, the proportion of failures has declined.

There is little sign of relief on the horizon. Instead, the prospect seems to be growing darker. An A. M. A. official in close touch with the situation predicts gloomily that 1939 compilations will disclose another 30 to 40 percent advance over 1938's high-water mark in licenses issued to foreigners.

Little hope is held of any natural decline in the volume of refugees seeking admission to the United States. Quite the contrary. For present indications are that the main wave of foreign physicians has not yet been set in motion. German sources informed Medical Economics some weeks ago that their country's remaining Jewish doctors were to be deprived of the right to practice on December 1 last. Whether this crippling blow was struck could not be confirmed before publication. At any rate, in view of recent Nazi declarations, it does not seem to be far off. It is generally accepted, moreover, that the same fate awaits Austria's Jewish profession, which would bring the total of possible emigration from Europe to figures estimated at more than 10,000.

The anti-Semitic wave is spreading eastward with Hitler's ambitions. Danzig, theoretically a "free city," recently liquidated its entire Jewish profession at one fell swoop. Czechoslovakia, Rumania, and Hungary are all tightening the net of economic restrictions about their physicians in the same manner as did the Nazis in the early days of their regime. Topping this off is evidence that the number of Canadian graduates settling down to American practices is growing steadily.

In the next 5 years, therefore, as many as 15,000 foreign doctors may be seeking locations in lands other than their own. Where will they go?

Not to France. The French Government has served notice to an American medical refugee committee that while it will accept alien physicians as residents, they cannot practice.

Nor to England. As a result of protests by the British Medical Association, the Royal College of Surgeons, and the Medical Practi-

tioners' Union, England has, temporarily, at least, clamped down the lid. The British Home Office, after admitting 50 refugee physicians in 1938, now feels that England has done her duty.

Certainly not to Italy, where Mussolini is just opening an anti-Semitic campaign. The Italian Government, speaking through the newspaper *Tevere*, has already warned Jewish physicians that, since they are "doubly strangers in Italy and \* \* \* enemies of fascism," they will find no welcome there.

Although Russia's size, plenitude of patients, and communistic utterances about "sharing" would seem to make it the ideal haven, the U. S. S. R. has been conspicuously uncooperative in inviting physicians from outside to settle within its boundaries. It is natural, then, that the United States, with its much-publicized freedom and promise of a good living, should seem a godsend to foreign doctors. In Germany, at least (source of most present emigrés), the idea of migration to this country has been openly encouraged. The Hitler press has expressed its vexation loudly and often that they won't take more refugees. Furthermore, unwanted recent graduates of German schools have been denied their diplomas until they can leave the country.

These factors lead to the natural question: Could we absorb as many as, say, 15,000 practitioners in the next few years?

Obviously not. The absorption of so many alien doctors, if attempted, would be a step toward wholesale economic suicide. It would mean the loss of millions of our present patients.

As an example of what could happen, alarmed physicians are pointing to what has happened in New York. Because of its liberal licensure program, this State has been, in the words of Dr. Harold Rypins, secretary of its board of medical examiners, a "dumping ground" for foreign doctors. In the 5 years preceding January 1, 1937 (before the real influx began), the Empire State admitted 961 foreigners to practice, lifting the local medical population 4 percent. Of these, 482, or more than half, were allowed to practice by endorsement. And this, although examination was required of graduates of all medical schools in New York State.

As a result, the local board of examiners proposed, in 1936, to stem the tide. They ruled that examinations were to be mandatory for all.

The fear of being barred, however, actually stimulated immigration. Foreigners rushed to register before the dead line—by telegram, letter, and even cable. Meanwhile, those who had gained admittance had entrenched themselves by organizing and enlisting the support of many powerful American laymen. Defended by such brilliant legal talent as Samuel Untermyer, they were finally able to resist the board's ruling. In the State supreme court on October 15, they won an outstanding victory by securing an order (since appealed) which restrained the board of regents from requiring some 100 of them to take examinations. The board of regents, it was declared, could not void that part of the law allowing licenses to those who can prove completion of a course in a reputable medical school and a practice of 5 years.

This created an almost pitiable condition in certain sections of the State. At its last meeting, the house of delegates of the New York State Medical Society passed a resolution asking equal rights with foreigners. Before the same assembly, Dr. James F. Gallo, of Herkimer, N. Y., lambasted foreign competition in an account of an allegedly typical case:

"In New York City," he declared, "over 300 doctors are on relief or are given work by relief to keep them from starving. \* \* \* A physician in one of the small villages along the Hudson River had been gaining a good livelihood for himself and family \* \* \* living well and providing for the future. \* \* \* This young man, native-born and educated in the United States, was compelled to leave because he could not compete with the unfair practices of a foreign physician."

Other aroused New York practitioners lay still greater complications to the newcomers. In small communities throughout New York State, they say, medical refugees have evidently "mistaken the torch in Miss Liberty's hand for a dollar sign." One American physician charges the most unscrupulous, or most desperate, of them with converting their offices into "mass production" clinics, featuring "snap diagnoses" and "that prescription," and cutting fees to as low as 50 cents a visit. Some, not averse to unethical advertising, are said to have distributed handbills in mail boxes of other doctors' patients. These, it is asserted, read as follows:

Office visits.....	50c
Fluoroscopic examinations.....	50c extra
Maternity cases (at home).....	\$10

Since these men don't belong to medical societies, they are more or less outside organized medicine's sphere of influence. About the only method one Long Island medical association could propose for controlling abuses was to vote that foreign nonmembers be presented with copies of the Code of Ethics. Protests to State officials have proved unavailing, the latter passing responsibility for their policy to an agreement with the Department of Labor.

Many of the American physicians interviewed doubted whether refugee doctors, accustomed to the European regimen of compulsory health insurance, could adapt themselves to this country's standards of private practice. Some even see in the foreign influx an active group of backers for the Federal Government's socialized health plans. As one New York medical society president declared, the refugees would like nothing better than being assured of \$2,000 or so a year—at the expense of Americans who have worked all their lives to build up practices.

Doctors, apparently, are not the only sufferers. Damage is allegedly being done to the foreigners' patients by hasty diagnoses and radical surgery carried on in "border line" sanitariums, a natural haven for unaccepted aliens.

"In these institutions, which are glad to fill their beds," one doctor said, "they can attempt all kinds of surgery, without ever having seen them done. Who is to stop them? Not the staff, because in such institutions there isn't any."

These abuses have occurred among the licensed practitioners. Other men, having failed to obtain licenses, are purportedly practicing without supervision of any kind. Because of their scanty personnel, State boards cannot keep a close check on such law-breakers. Particularly is this so in the larger cities.

In inland States, alien M. D.'s have as yet made no great inroads. Nevertheless, letters of protest pouring in daily to medical societies indicate that the pressure of foreign competition may soon become Nation-wide. Concerning the influence of refugee doctors in Chicago, St. Louis, and other midwestern cities, one practitioner says, "Hardly a physician I talk to does not know of a foreigner who has recently moved into his neighborhood to compete with him."

In Iowa, a wealthy physician has aroused the angry comment of colleagues by sheltering no less than nine medical refugees in his home and trying to make room for them in the community.

Of New Jersey's 79 most recent licentiates, 34 are refugees. In Massachusetts, the situation has become such that the State medical society is considering a proposal which demands full citizenship of all practicing physicians.

Repercussions are heard even in isolated States like Texas, where the board of examiners recently rejected 21 alien applicants because of uncertain qualifications. And in Missouri, where a prominent medical man has spread this appeal for legislation against foreign competition:

"Why should they enjoy the protection and advantages of Missouri and force our own people to move elsewhere? The irony of it is that these aliens are coming from countries that have made it absolutely impossible for our citizens to enter and practice. \* \* \* It is 'heads I win, tails you lose.' Next year it (the influx, now mainly German) may be made up of Italians, Russians, Spaniards, Frenchmen, and Englishmen."

Unquestionably, the incoming foreigners are receiving a certain amount of patronage from Americans in high places. In New York City, some of their most enthusiastic sponsors have been Park Avenue specialists. This is explained by one leader of organized medicine as follows:

"These specialists live largely on consultations sent them from doctors in more modest communities. The more physicians, foreign or otherwise, they have on the string, the better. In return for backing, aliens will send the specialist their consultation work."

Most medical authorities questioned were largely of the opinion that the quota of foreign doctors should be restricted. The point of difference was how this should be done.

One group, anxious to be fair to distinguished colleagues from abroad, suggested that the less competent be weeded out on the basis of educational records. But this is a lot more difficult than it sounds. A European diploma may not be worth the paper it is printed on. Medical students are not permanently "flunked out" in Europe as in the United States. Instead, if the student fails, he simply studies more and keeps taking exams until he finally squeezes by. Thus, many of the lower 25 to 30 percent systematically eliminated in this country would succeed in becoming physicians in Europe. On the other hand, the superior European doctor, for political reasons, may be unable to obtain credentials to prove that he even attended medical school.

A proposal is that practice in the United States be limited to American citizens—a requirement already pertaining in several States. This is the official recommendation of the A. M. A. house of delegates. At the time it made the recommendation, the house contemplated full naturalization, which calls, among other things, for 5 years' residence in this country. But, so far, State boards are inclined to interpret "citizenship" merely on the basis of evidence that first papers have been taken out. This, of course, is a formality consuming only a few minutes' time. Another objection to the 5-year residence rule is that it would probably cause crowding in technical fields allied with medicine, in which the foreigner would seek to support himself until he became eligible for practice.

A third group maintains that the problem is one of distribution rather than exclusion. One adherent of this theory holds that—

"The United States is big enough for us all. The trouble is that only a few States will admit the refugees to practice. This aggravates the problem by concentrating them in a few centers. If all the States were to adopt an 'open door' policy, the refugees would be spread evenly throughout the country. This would result in mutual benefits: Provide practice for the doctors and doctors for communities needing them."

Followers of this line of thinking would have the State boards of regents grant provisional licenses to foreigners. The boards would assign each man to a community requiring a doctor. If he refused to go, he would forfeit his license.

Although this plan shapes up well on paper, many doubt its practicality. For one thing, that the United States is "big enough for us all" is a moot point. Others believe that forcing a physician to accept a location smack of the dictatorship in lands from which many of the aliens have fled.

Some believe the problem could be simply solved if the Department of Labor would fix the number of physicians admissible under the quota. Even should the Immigration Service consent to this, which is almost unimaginable, the chances are that this limitation could not be strictly enforced.

No ready-made solution seems to fit the problem. Meanwhile, foreign competition streams down the gangplank.

Mr. LUNDEEN. Mr. President—

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

Mr. REYNOLDS. I yield.

Mr. LUNDEEN. I am glad the Senator has brought up the subject of refugees. Sometime ago, if the Senator will permit a brief interruption, I made a statement in which I voiced opposition to the admission of refugees into this country, especially in view of the unemployment situation. There are, however, many people in the United States who desire to put refugees first and Americans last, who desire to take care of refugees and aliens, and, if there is anything left for native Americans, very well. I believe in the policy of America and Americans first, and then, if there is anything left for aliens and refugees, very well. I believe we should take care of our own people first, and I am glad to hear that policy voiced on the floor of the Senate.

Mr. REYNOLDS. I thank the Senator from Minnesota very much for his contribution to my observations. In connection with what he has said, I may add that I have suggested that the American people now, of all times, as a whole, from coast to coast and from north to south, should adopt this slogan: "Our citizens and our country first." But, as the Senator from Minnesota has said, in a great many sections of the country it appears that some American citizens are providing jobs for refugees first. That is taking place every day in the city of New York. I have an article from one of the larger New York dailies in respect to some refugees who came here and who 2 days after they had landed were taking the jobs of American citizens.

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

Mr. REYNOLDS. I am glad to yield.

Mr. LUNDEEN. I am informed that not only will some employers give jobs to refugees first, but they will really displace Americans now having jobs, put them out of their positions, and replace them with refugees who cannot even speak the English language.

Mr. REYNOLDS. That is true. Let me say in this connection that I have been informed that one of the largest department stores in the city of New York giving employment to hundreds of American men and women had made arrangements to discharge about 8 out of every 10 of those clerks in order to make room for some refugees who were coming to the United States. The poor men and women who were employed in that store raised so much hell about it that the store executives became afraid to take the action and backed down.

In reference to that, I will say to the Senator that I am going to make very diligent inquiry as to the truth or falsity of that statement, and whatever truths I learn about it I will expect to provide the Members of this body upon the floor of the Senate the knowledge I obtain, for I think any individual, organization, corporation, or association in this country that will even contemplate discharging Americans from employment in order to make room for aliens from across the sea ought to be exposed to the American people.

In reference to the matter of the doctors, which I mentioned a few moments ago, I have here a clipping from the New York Herald Tribune of January 29, 1939, the headline of which reads:

Four hundred and forty-one out of one thousand and sixty-three alien doctors—

Listen to this—

fail in tests for State licenses.

Two hundred and ten of those rejected in New York in 1937-38 are from Germany and 35 from Austria; only 5.5 percent of those from schools in the State fail.

I ask that the newspaper article which provides this information in detail as to the number of foreigners from the respective countries of the world failing in the examinations be published in the RECORD as a part of my remarks.

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

[From the New York Herald Tribune of January 29, 1939]

FOUR HUNDRED AND FORTY-ONE OUT OF ONE THOUSAND AND SIXTY-THREE ALIEN DOCTORS FAIL IN TESTS FOR STATE LICENSES—210 OF THOSE REJECTED IN NEW YORK IN 1937-38 ARE FROM GERMANY AND 35 FROM AUSTRIA; ONLY 5.5 PERCENT OF THOSE FROM SCHOOLS IN THE STATE FAIL

ALBANY, January 28.—The State education department announced today that of the 1,063 foreign doctors who tried the 1937-38 medical examinations for licenses to practice in New York State, 441 failed to qualify. Among the unsuccessful candidates were 210 from Germany and 35 from Austria.

Candidates from abroad and the results of their tests were as follows:

Germany 422 candidates, 210 failures; Austria 112 candidates, 35 failures; Czechoslovakia 12, 9 failures; England 12, no failures; France 36, 14 failures; Hungary 12, 8 failures; Ireland 7, 5 failures; Russia 19, 9 failures; Scotland 88, 14 failures; Switzerland 181, 66 failures; Syria 2, no failures; Italy 103, 58 failures; Turkey 1, 1 failure; Cuba 2, no failures; Canada 62, 11 failures; Mexico 1, 1 failure.

The department disclosed that 1,836 prospective physicians took the 1937-38 tests. Besides the 1,063 from abroad, 468 were from New York medical schools and 285 from schools of other States. It added that 5.5 percent of the New York State educated doctors failed in the examinations and 24.9 percent of the candidates from other States were rejected.

Dr. Ernest E. Cole, counsel of the State board of regents, in test cases recently before the appellate division, third department, of two refugee German doctors who sought State medical licenses without examination, argued that endorsement of foreign physicians without examination would be discrimination against New York State's prospective doctors, who are obliged to pass the test in order to practice. The test cases referred to were those of Dr. Julius W. Levi and Dr. Paul Erlanger, both of whom failed in the 1938 examinations. The board of regents refused to endorse them.

Mr. LUNDEEN. Mr. President, will the Senator yield further?

Mr. REYNOLDS. I am glad to yield to the Senator from Minnesota.

Mr. LUNDEEN. Some time ago I arrived at the port of New York from the West Indies. On arrival I was informed by officials that the *Europa* was coming in that afternoon with 1,500 refugees. I am wondering if when he makes his investigation the Senator would be willing to investigate further and include the statement that 1,500 refugees were coming into this country in the midst of a period of great unemployment in the United States, of which we are all well aware. I said, "Well, what about these poor people; they will perish; they will not be able to get any work." Mention was made of certain officials in New York, and the reply was, "Oh, they have been promised employment within two weeks." I should like to be certain that native citizens of this country, those who have taken out their first papers, veterans of our wars who have marched under our flag in time of war, men who have been out on the industrial battlefields in America and suffered injury in industry, and their sons and daughters shall first be taken care of in the matter of securing jobs. It appears, however, that within 2 weeks after landing from the *Europa* as refugees 1,500 aliens were to be employed in the State of New York. I thought the Senator might be interested in that statement.

Mr. REYNOLDS. I thank the Senator very much.

In regard to the number of persons coming to the United States, I desire to state that I intend to make inquiry likewise in regard to the tourist visas that are issued. I am wondering how many persons have entered this country in the past 5 years under tourist visas and how many have actually gone out again. Senators understand that ours is the only country upon the face of the earth that does not keep close tab upon foreigners coming to it. Ours is the only one. We have the poorest immigration laws of any country in the world. There is one thing that I admire about Mexico. Mexico, just to the south of us, has some of the very finest immigration laws possessed by any country upon the face of the earth; and, by the way, I have suggested from time to time, in bills I have introduced here, that we should apply the quota system to the countries of Central and South America and the West Indies. The State Department, how-

ever, have said, "Oh, we ought not to do that." They have thrown up their hands in holy horror. They have said, "It will make them mad with us. We have the 'friendly neighbor' policy, the brotherly love policy."

I wonder if the State Department knows that every one of the countries to the south of us has finer, better, stronger immigration laws than we have here in the United States. How could they get mad with us for passing laws protecting us in the same way that they have already passed laws to protect themselves?

While I am on the subject of doctors and professional men, let me say, as the Senator knows, that the doctors all over the United States are having a hard time. I ask that there be published in the RECORD, as part of my remarks, an article from the Long Island Star-Journal of Wednesday, February 1, 1939, entitled "Speaker Warns Medical Group of Influx of Foreign Doctors."

The PRESIDING OFFICER. Without objection, the article will be printed in the RECORD.

The article is as follows:

#### SPEAKER WARNS MEDICAL GROUP OF INFLUX OF FOREIGN DOCTORS

Serious competition for medical practitioners in the United States unless the influx of European physicians to this country is not curbed or controlled was forecast last night by William Alan Richardson, managing editor of Medical Economics, before 250 physicians at the Medical Society Building, 112-25 Queens Boulevard, Forest Hills.

Richardson, whose topic was Refugees Unlimited, was a guest speaker at the monthly meeting of the Medical Society of the County of Queens, which was devoted to a discussion on medical economics.

Another speaker was Dr. George D. Wolf, author of *The Physician's Business*, who spoke on Current Economic Trends in Medical Practice. Dr. Joseph Wrana, newly inducted president of the society, spoke on the importance of harmony in the medical profession.

Richardson, speaking of the problem facing the medical profession in this country, revealed that approximately 1,000 European physicians arrive annually in the United States, with a potential influx of 15,000 physicians in the next 5 years.

#### SEES INCOME CUT

With the serious competition for established practitioners, Richardson said, it was questionable whether the number of incoming physicians from other countries could be absorbed without economic calamity as far as the American physician's income was concerned.

It was definitely unfair to the American-trained physician who is required to take rigid examinations in order to practice by allowing many European physicians to come here and practice without the necessary examinations, Richardson said.

The incoming physician problems was not so much the number of physicians, Richardson added, but the problem of proper distribution of European physicians. Mechanism for such distribution would have to be worked out.

Richardson suggested the possibility of limited medical practice to citizens only, which is already law in some States. The United States, he concluded, is a natural haven for European physicians because of the stringent rules already being applied in France, England, and Italy.

Tracing the development of the modern practice of medicine and its tendency toward the development of specialization in medicine or general practice, Dr. Wolf said there was an increasing interest of the Government in the practice of medicine and the outside agencies interested in public health.

#### OPPOSES CHANGE

The various medical systems which are practiced in European countries are not comparable to the achievements which we have in this country, Dr. Wolf added. "We believe that the people do not want any change in the medical system here," he said.

Dr. Wrana, in his first address last night since he was recently inducted head of the medical group, declared that "harmony in the medical profession is necessarily a most important attitude today."

"By harmony, I do not mean blind acquiescence to any proposal but an honest attempt to coordinate the activities of society for the common good, regardless of which individual or what faction institutes such a proposal," Dr. Wrana added.

Pressure group attacks, Dr. Wrana warned, "are threatening our very existence, and threatening the proper receipt of adequate medical care by the public." The most fearful of threats, the society head said, was that of compulsory health insurance, possibly patterned after the English system.

On the other hand, he said, hospital insurance has benefited not only the patient but the hospital as well.

Mr. REYNOLDS. I hope every American doctor in the United States will read the CONGRESSIONAL RECORD, as soon as it reaches his State, in reference to the competition which is confronting men of his profession all over the United States. I likewise hope the doctors will know that the Members of the United States Senate are doing our level best to protect

them against the invasion of foreigners which is occurring at the present time.

Mr. President, I have here three other clippings. One, entitled "Refugee Immigrants," is dated New York, February 1, 1939, and is signed by Mr. G. Gilder. Another, entitled "Arrivals of Refugees," is signed "Native Citizen," and is dated New York, January 27, 1939. Another is entitled "Every Immigrant 'An Error'." It is signed by Victor E. Smith and is dated New York, January 30, 1939.

I ask that these articles be published in the RECORD as part of my remarks with reference to the influx of persons who unfortunately are now flooding our shores, or attempting to do so, at the time of all times when we need to bar persons from other parts of the world from coming here, so that they will not compete with our unfortunate laboring men who have not had any work for several years.

The PRESIDING OFFICER. Without objection, the articles will be printed in the RECORD.

The articles are as follows:

#### REFUGEE IMMIGRANTS

To the NEW YORK HERALD TRIBUNE:

The Herald Tribune is doing good and necessary service in printing letters such as the one from Mr. Joseph Larocque and one from Mr. Alfred Loomis the following day, both pointing out the danger of allowing our emotions to run away with our reason in the matter of the refugees now pouring into the country. The letter of "Native Citizen" is also significant, with its report of the number of refugees from Germany arrived on the *Manhattan*. Ten days ago I reached New York on a German steamer, nearly all of the passengers being German refugees, and wondered how many American citizens would have to be deprived of their jobs in order to furnish places for these aliens, for sooner or later that has to be done or they must become public charges. While in Germany I heard of Jews who were trying to get to Palestine in order to emigrate from there to the United States, and sorry as I was for their plight, the desire of all to come to America was not encouraging for Americans, considering the unemployed already here.

G. GILDER.

NEW YORK, February 1, 1939.

#### ARRIVALS OF REFUGEES

To the NEW YORK HERALD TRIBUNE:

According to reports in the news columns the other day, the United States liner *Manhattan* arrived from Europe with 919 passengers, of whom 740 (more than 80 percent) were German refugees. Other ships of late have been bringing in large numbers of refugees. Under what conditions are these refugees being admitted? Do they enter this country within the limits of the German and Austrian immigration quotas or on visitors' permits? What guaranty or assurance is given that they will not supplant American citizens in jobs or become public charges? With so many native and naturalized citizens out of work and dependent upon the bounty of the Government and State for mere sustenance, is not this great influx of aliens an alarming menace? Are the immigration laws being enforced to the letter without regard for race or creed?

NATIVE CITIZEN.

NEW YORK, January 27, 1939.

#### EVERY IMMIGRANT "AN ERROR"

To the NEW YORK HERALD TRIBUNE:

In your editorial Threat of Exile, you commended Miss Dorothy Thompson's phrase "sheer instinct for self-preservation." Aside from the vague, sentimental "preservation" argument, we should keep in mind that "self-preservation is the first law of nature." We cannot support the needy of the entire world. "Charity begins at home."

There are hundreds of thousands suffering unjustly in China and Spain, for example, far exceeding the numbers of Jewish refugees. Why should we single out the latter?

In fact, we should not be admitting a single immigrant under present conditions. When the present quotas were fixed we had no unemployed millions. With a standard of living and wage far above that of other countries, is it not criminal to be admitting tens of thousands who mean public charges—a tax and a toll direct or indirect? Every immigrant of today is illegally admitted, as well as an economic error.

VICTOR E. SMITH.

NEW YORK, January 30, 1939.

Mr. LUNDEEN. Mr. President—

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

Mr. LUNDEEN. If the Senator will permit me, there is another invasion of this country at this time of which I am sure the Senator is aware. It is an invasion of foreign propagandists and lecturers who are traveling up and down the land by the hundreds preaching their pro-ally doctrines, and

I presume pro-other combination doctrines as well, and endeavoring in every possible way to inveigle us by intrigue and innuendo into revamping and changing the old doctrines of the fathers of this country upon which America was founded and rewriting the foreign policy of the United States. They are trying to put us on a different basis. This invasion is proceeding along with the other invasion to which the Senator has referred, and I believe it puts America in peril.

Mr. REYNOLDS. I desire to say to the Senator in reference to that matter that a great many of the persons who are preaching "isms" here are telling us what to do and what not to do. I want to read a little pamphlet that was handed to me a few days ago. I desire to bring it to the attention of the Senate. Here the Communists are telling the Congress of the United States that we should not contribute by way of appropriation another dime to the Dies committee. The Communists are telling us how to run the country.

I shall take the time to read just a little of this pamphlet. It was issued by the New York State committee, Communist Party, 35 East Twelfth Street, New York City. By the way, before I forget it, I wish to remind Senators of the fact that the most astute propagandists in all the world are those who are employed by the Communists in this country. They have accomplished the most miraculous job ever accomplished by any propagandists since the creation of the world; and what is it? Why, the Communist propagandists have been so astute that they have succeeded in drawing the minds of the American public from Stalin and the Communist Party to Hitler and Mussolini. We never hear anything more about Stalin or the Communist Party. As I say, the Communists have succeeded in drawing the attention of the American people to Hitler and Mussolini.

Let us take just a minute to see what this pamphlet says. Here are members of the Communist Party issuing a pamphlet telling us how to run our country and saying that we should not put up a dime for the Dies committee. The pamphlet says:

Twenty-five thousand dollars of your money has already been spent! And \$150,000 more is being asked. For what? For the work of the Dies Committee on Un-American Activities. There certainly are un-American forces at work in this country, and Congress should investigate them and expose them before the American people. In fact, when Congressman DIES originally urged this investigation, he pointed to these un-American forces as follows:

"I am not inclined to look under every bed for a Communist but I can say to this House that there is in my possession a mass of information showing the establishment and operation of some 32 Nazi camps in the United States, that all of these camps have been paid for, that they claim a total membership of 480,000 \* \* \* that in these camps men are marching and saluting the swastika." (CONGRESSIONAL RECORD, p. 9961.)

No sooner had the committee been organized than MARTIN DIES betrayed the confidence of those who had voted that he investigate the Nazi and Fascist organizations that are infesting our public life. He handled these Fascists with such generosity, in fact, that Fritz Kuhn of the Nazi Bund came out in support of DIES. Instead of exposing them, he turned his attention to sully the name of every progressive movement in America, including the New Deal, the trade-union movement, ex-Governor Murphy of Michigan, the Farmer-Labor Party of Minnesota, and all other popular movements.

"It is generally understood," Earl Browder recently wrote to all Congressmen, "that Mr. DIES, in the service of more sinister forces, is exploiting prejudice and ignorance in order to smear with the old 'red' brush all New Deal, labor, progressive, and liberal legislation, people and organizations."

I ask that the remainder of the pamphlet be printed in the RECORD as a part of my remarks.

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

The matter referred to is as follows:

DIES attacks the Communists and calls everyone a Communist who stands for the expansion of W. P. A., for collective bargaining, for democracy, and for national security through cooperation with other lands. Collecting as witnesses a miscellaneous crew of labor spies, political cast-offs, and generally irresponsible people, DIES has accepted and gotten spread on the front pages a lot of gossip and falsehood without any attempt to get those who testify to prove their statements. So disgraceful was this performance that President Roosevelt had to speak out against the tactics of the Dies committee.

President Roosevelt said: "Most fair-minded Americans hope that the committee will abandon the practice of merely providing a

forum to those who for political purposes, or otherwise, seek headlines which they could not otherwise obtain. Mere opinion evidence has been barred in court since the American system of legislative and judicial procedure was started."

As a fair-minded American you are entitled to know the truth about Fascist activity in America. But DIES is not entitled to squander your money in a political circus to serve reactionary ends. DIES devoted most of his time to misrepresentations about the Communist Party. As Earl Browder wrote in his letter to Congressmen, "DIES has not questioned a single authentic spokesman for the Communist Party who, far from being subversive and secretive, are openly carrying on democratic work in behalf of the majority of the American people, and can be reached daily by telephone, telegraph, or mail. He has not examined or put in the record a single reliable official document or publication of the Communist Party."

For the judgment of the fair-minded American we here want to submit to him two vital parts of the Constitution of the Communist Party.

1. "The Communist Party opposes with all its power any clique, group, circle, faction, or party which conspires or acts to subvert, undermine, weaken, or overthrow any or all institutions of American democracy whereby the majority of the American people have obtained power to determine their own destiny in any degree." (Art. IV, sec. 1.)

2. "The Communist Party of the United States of America is a working-class political party carrying forward today the traditions of Jefferson, Paine, Jackson, and Lincoln, and of the Declaration of Independence; it upholds the achievements of democracy, the right of life, liberty, and the pursuit of happiness and defends the United States Constitution against its reactionary enemies who would destroy democracy and all popular liberties; it is devoted to the defense of the immediate interests of workers, farmers, and all toilers against capitalist exploitation, and to preparation of the working class for its historic mission to unite and lead the American people to extend these democratic principles to their necessary and logical conclusions."

This is documentary evidence, of a kind that DIES refused to admit to his records, of the true nature of the Communist Party and its relationship to Americanism and American democracy. DIES is proved to be a vicious and malicious misleader of public opinion.

Yet now DIES has the brazenness to ask Congress for \$150,000 more to continue his side show. Every fair-minded American, from President Roosevelt to the humblest worker, is against wasting any more money on DIES. Rather than exposing the Fascists, DIES is working hand in hand with them to attack the New Deal and progressive forces. Do you want DIES to continue with this disgraceful exhibition? If you do not, then write at once to your Congressman telling him what you as a fair-minded American think about DIES and asking him to vote against any appropriation for DIES.

Do you want to learn more about the Communist Party? We shall be glad to send you, without any charge, a copy of the constitution and bylaws of the Communist Party, as well as a new booklet, just off the press, *The Un-American Dies Committee*, by Adam Lapin, Washington correspondent of the *Daily Worker*, and Earl Browder's latest work, *Social and National Security*. Use the coupon below.

☐ I want more information about the Communist Party.

☐ I want to join the Communist Party.

Name..... Address..... City..... Occupation.....

Mail this to the New York State Committee of the Communist Party, 35 East Twelfth Street, New York City.

Read the *Daily* and *Sunday Worker*—America's most exciting newspapers. Buy it at your newsstand.

Have you written to your Congressman about DIES? Do it now! Issued by New York State Committee, Communist Party, 35 East Twelfth Street, New York City.

Mr. REYNOLDS. So the Communist Party issues a pamphlet advising the American people and the Congress of the United States not to make a single dollar of additional appropriation for the purposes of the Dies committee, which, in my opinion, has done a great deal of good.

In connection with the audacity and the gall of these foreign groups expounding their foreign "isms," I desire to bring to the attention of the Senate a copy of the *Brooklyn Tablet*, of Brooklyn, N. Y., dated Saturday, January 28, 1939, entitled "Sound Truck Asking Freedom Barred in City. Communist Groups Object to Appeal by Americans."

The Communists have the gall and the audacity to object to a patriotic appeal being made by American citizens! If the Communists in this country love so well and think so much of the communist form of government, why do they not go back to Russia? I shall be the first one to cast my vote for an appropriation providing a sufficient sum of money to place on board ship all the Communists in the United States and send them back to Russia. But they would not take advantage of such an opportunity. They do not want to go back to Russia; they would not go back to Russia if

they had an opportunity to do so, and they know it. Yet now they are preaching their false doctrine, trying to subvert the fundamentals of the American Government and are not even willing to let Americans preach Americanism.

Let us see what this article says:

On Saturday, January 21, the American Christian Society to Combat Communism and Fascism put out a sound truck (sign and talk over sound system same as previous Saturday) at Forty-second Street and Fifth Avenue, Manhattan. The permit allowed those who had the truck to speak at the above corner and at Forty-second Street and Lexington Avenue from 12 noon until 7 p. m. on the above date and also every day this week, including this Saturday—at the same locations and at the same hours. On Saturday 5,000 persons congregated on the sidewalks, the majority of whom were well-organized Communists. These Communists spit on the American flag—

Listen to this:

These Communists spit on the American flag on display on both sides of the truck. They insulted men and women and the speaker on the truck, Timothy J. McCarthy, president of the organization, was not only insulted for hours but his life was threatened as well. Groups of two and three active Communist agitators circulated continually through the crowd, deliberately and intentionally arousing their cohorts until the results of their efforts occurred when one policeman guarding the left door of the truck was pushed aside and the door of the truck opened and Communists reached inside the car to drag out the speaker.

This was the president of a Christian society, a society of Christian American men and women, who thought they had the protection of the American flag, draped and pasted on both sides of the truck. But the Communists spit on the flag, and dragged this Christian American man out of the truck. The article states further:

Six policemen immediately rushed in and had to use physical force to keep the Communists away from the door of the car. One policeman had to be stationed at the rear of the truck to prevent the Communists from destroying the wiring of the sound system. Two Christian women and several Christian men were attacked physically by Communists (who well organized on this occasion greatly outnumbered Christian American citizens) and had to receive first-aid treatment. At 3 p. m., with only 20 policemen at the scene and at the height of the disturbance, Inspector Heitzman arrived on the scene and requested Mr. McCarthy to please desist from speaking over the sound system and to bring the sound truck to the station house on East Fifty-first Street to prevent a riot and to preserve human life.

Think of it, a truck draped with the American Flag attacked by 5,000 Communists, a truck occupied by Christian American men and women, in the heart of American civilization, Forty-second Street and Broadway, New York.

Mr. President, that answers the question. I say to those who are here this afternoon that, for the life of me, I cannot understand why the American people are not disturbed about this situation. I am doing my best to arouse them. I have the satisfaction in my own heart of knowing that I am doing all I possibly can to contribute my little bit toward saving America for Americans, and I say to each Senator that the time has arrived when, if we do not do something, the country will be taken over by those from foreign shores, just as we took it over from the Indians shortly after the arrival of Columbus on these shores in 1492.

#### ADJOURNMENT TO MONDAY

Mr. BARKLEY. Mr. President, in accordance with the order previously entered, I move that the Senate adjourn.

The motion was agreed to; and (at 3 o'clock and 28 minutes p. m.) the Senate adjourned, the adjournment being, under the order previously entered, to Monday, February 27, 1939, at 12 o'clock meridian.

#### CONFIRMATIONS

*Executive nominations confirmed by the Senate February 23, 1939*

#### DIPLOMATIC AND FOREIGN SERVICE

TO BE FOREIGN SERVICE OFFICERS, UNCLASSIFIED, VICE CONSULS OF CAREER, AND SECRETARIES IN THE DIPLOMATIC SERVICE OF THE UNITED STATES OF AMERICA

Niles W. Bond  
William O. Boswell  
Donald W. Brown

Charles R. Burrows  
V. Lansing Collins, 2d  
Arthur B. Emmons, 3d

Nicholas Feld  
William N. Fraleigh  
Fulton Freeman  
John C. Fuess  
Ogden H. Hammond, Jr.

Boies C. Hart, Jr.  
Richard H. Hawkins, Jr.  
Martin J. Hillenbrand  
Delano McKelvey  
Robert C. Strong

## POSTMASTERS

## IOWA

Clarence W. Stuart, Altoona.  
Clarence N. Hildebrand, Belmond.  
Willard L. Street, Center Point.  
Richard Tomke, Clarion.  
Albert E. Newell, Eddyville.  
Gerry M. Hougham, Fort Des Moines.  
E. Harold Gilreath, Grand River.  
Asa Earl Boyer, Maquoketa.  
Lee R. Evans, Mystic.  
James B. McLaughlin, Preston.  
Lulu M. Davis, Wauke.

## MAINE

Guy W. Swan, Princeton.  
Charlene F. Tebbets, Readfield.

## NORTH CAROLINA

Samuel B. Hovis, Bessemer City.  
Clarence G. Pike, Fremont.  
Fred W. Kluttz, Rockwell.

## VIRGINIA

Elizabeth P. White, Sandston.

## HOUSE OF REPRESENTATIVES

THURSDAY, FEBRUARY 23, 1939

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Most merciful God, in the name of our Master we pray. In His earthly life, by precept and example, He rebuked every excess and defect and became the source of hope and encouragement to restless and frail human nature. Oh, let His voice proclaim insistently today: "In the wilderness clear ye the way of the Lord and in the desert a highway for our God"—a highway of human dignity, human and moral worth, and of ennobling faith. We humbly pray Thee to come and cleanse the arteries of our Republic of all un-Americanism, break down all barriers of race and creed, penetrate the shadows that may be deep and engulfing, and subdue the relics of paganism. Heavenly Father, be with each one of us. The assailable place in our character, the weak link in the chain of our virtues, do Thou make strong and forge into enduring fiber. Amen.

The Journal of the proceedings of yesterday was read and approved.

## MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Frazier, its legislative clerk, announced that the Senate had passed bills of the following titles, in which the concurrence of the House is requested:

S. 88. An act referring the claims of the Turtle Mountain Band or Bands of Chippewa Indians of North Dakota to the Court of Claims for finding of fact and recommendations to the Congress;

S. 414. An act for the relief of the Indians of the Fort Berthold Reservation in North Dakota; and

S. 1115. An act for the relief of Lt. Malcolm A. Hufty, United States Navy.

## PERMISSION TO ADDRESS THE HOUSE

Mr. MARTIN of Massachusetts. Mr. Speaker, I ask unanimous consent that on Wednesday next, after the disposition of matters on the Speaker's desk, and any previous order heretofore entered, the gentleman from New York [Mr. CULKIN] may be permitted to address the House for 20 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

## COMMITTEE ON CLAIMS

Mr. MARTIN of Massachusetts. Mr. Speaker, I send to the Clerk's desk a resolution and ask for its immediate consideration.

The Clerk read as follows:

## House Resolution 104

Resolved, That WILLIAM A. PITTENGER, of Minnesota, be, and he is hereby, elected to the Committee on Claims of the House of Representatives.

The resolution was agreed to.

## EXTENSION OF REMARKS

Mr. STEARNS of New Hampshire. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein a radio address delivered by me over station WFEA, at Manchester, N. H.

The SPEAKER. Is there objection to the request of the gentleman from New Hampshire?

There was no objection.

Mr. HAWKS. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein a speech delivered by my colleague the gentleman from Montana, Mr. THORKELOSON, last night.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. VINSON of Georgia. Mr. Speaker, I make the point of order there is no quorum present.

The SPEAKER. Evidently, there is not a quorum present.

Mr. RAYBURN. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, when the following Members failed to answer to their names:

## [Roll No. 18]

Beam	Fernandez	McKeough	Sabath
Boykin	Ford, Leland M.	McReynolds	Schuetz
Byron	Goldsborough	Maclejewski	Schwert
Casey, Mass.	Gross	Maloney	Seger
Chandler	Harter, Ohio	Marshall	Shafer, Mich.
Creal	Hartley	Mason	Short
Culkin	Houston	Mitchell	Sullivan
Curley	Jarrett	Mouton	Sumner, Ill.
Daly	Jenks, N. H.	Murray	Summers, Tex.
Dies	Keller	O'Brien	Sweeney
Dingell	Kelly	O'Day	Thomas, N. J.
Disney	Kocalkowski	Osmer	Tinkham
Doughton	Lemke	Parsons	Wadsworth
Elliott	McArdle	Pierce, N. Y.	Winter
Evans	McDowell	Rabaut	Wolfenden, Pa.

The SPEAKER. On this roll call 373 Members have answered to their names, a quorum.

On motion of Mr. RAYBURN, further proceedings under the call were dispensed with.

## THE LATE E. HART FENN

The SPEAKER. The Chair recognizes the gentleman from Connecticut [Mr. MILLER] for 1 minute.

Mr. MILLER. Mr. Speaker, it is with a feeling of sadness and regret that I announce to this House the death this morning of the Honorable Edward Hart Fenn, a former Member of the United States Congress from my district for a period of 10 years. Harry Fenn was a fine, a cultured gentleman, an able statesman, and a stimulating companion. His service to the people of Connecticut in the Sixty-seventh, Sixty-eighth, Sixty-ninth, and Seventieth Congresses was one of loyalty and devotion which should ever serve as an example to those of us who follow him here. As a fellow townsman of Harry Fenn's I am in a position to appreciate what a vacancy his death creates in our town of Wethersfield and in the State of Connecticut where his entire life was one of personal denial for public good. I admire the record of his career, the worth of his character, and I revere his memory.

Mr. RANKIN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

Mr. RANKIN. Mr. Speaker, I want to assure the gentleman from Connecticut [Mr. MILLER] that we Members on the Democratic side of the House who served with the gentleman from Connecticut, the Honorable E. Hart Fenn, are deeply grieved to learn of his untimely passing away. He was the chairman of the Census Committee, on which I served as the ranking Democrat for many years. I knew him most intimately and I can say without reservation that I never served with a more honorable, upright, conscientious gentleman in this House or elsewhere.

He was my friend and I believe he was the friend of every other Member of this body.

His memory will linger in our hearts. Peace to his ashes.

His life was gentle and the elements so mixed in him that nature might stand up and say to all the world: This was a man.

Mr. STEAGALL. Mr. Speaker, I ask unanimous consent to proceed for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Alabama?

There was no objection.

Mr. STEAGALL. Mr. Speaker, I had the honor of serving for years in this House and on the Committee on Banking and Currency with the distinguished gentleman whose passing we deplore. His character and ability were of the highest order. His patriotism was as broad as the Nation, the sympathies of his heart were as broad as humanity. He loved the truth, he loved his country, he loved justice, he was faithful and devoted to the loftiest conceptions of public service. He was a great American, fully worthy of the honors he enjoyed. He leaves a stainless record that will be cherished through the years. His death is a loss to his native State and to the Nation.

Mr. REED of New York. Mr. Speaker, I ask unanimous consent to proceed for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. REED of New York. Mr. Speaker, it was my pleasure to serve on the same committee with the late Representative E. Hart Fenn, whose death we regret and mourn today. I found him a man of sterling character, a man of great energy, and a highly valuable man to the Republic and to his State.

#### INDEPENDENT OFFICES APPROPRIATION BILL, 1940

Mr. WOODRUM of Virginia. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 3743) making appropriations for the Executive Office and sundry independent executive bureaus, boards, commissions, and offices for the fiscal year ending June 30, 1940, and for other purposes, with Senate amendments thereto, disagree to the Senate amendments, and agree to the conference asked by the Senate.

The SPEAKER. The gentleman from Virginia asks unanimous consent to take from the Speaker's table the bill H. R. 3743, the independent offices appropriation bill, with Senate amendments thereto, disagree to the Senate amendments, and agree to the conference requested by the Senate. Is there objection?

There was no objection.

The Chair appointed the following conferees:

Mr. WOODRUM of Virginia, Mr. JOHNSON of Oklahoma, Mr. FITZPATRICK, Mr. HOUSTON, Mr. STARNES of Alabama, Mr. WIGGLESWORTH, Mr. DIRKSEN, and Mr. CASE of South Dakota.

N. L. R. B.

Mr. HOFFMAN. Mr. Speaker, I ask unanimous consent to proceed for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection?

There was no objection.

Mr. HOFFMAN. Mr. Speaker, the morning papers call attention to the fact that, although we have had industrial strikes in the motor industry in Michigan for more than 2 years, another strike—a strike brought on by a conflict between two factions of the U. A. W. A.—has thrown somewhere between 17,000 and 23,000 men out of work.

The vast majority of these men have no grievance whatever against the employer. Their one outstanding desire is to continue at their jobs, to remain at work. Nevertheless, because those who assume to lead them, to act as officials in the union, are quarreling over who shall collect and distribute the dues of the workers, a strike is called.

The employer, entirely innocent, is made to suffer and thousands of employees are deprived of their right to work. There is no justice in such procedure. There is no excuse for such action.

The National Labor Relations Board, the national administration, are to blame for this disgraceful condition of affairs. We have had industrial strife in Michigan ever since the 30th day of December 1936. It has been almost continuous and to this day the National Labor Relations Board has failed to take the action which it might so easily have taken to end this chaotic situation, which is harmful to everyone concerned.

When will this House proceed to consider and intelligently amend the Wagner law?

Let me digress now and speak for a few moments on the amendment to the bill now before the House, returning later to this strike situation.

In this bill, as so frequently before, the President forces us to "take it or leave it."

It has been the policy of the New Deal administration—and I make a sharp distinction between the New Dealers and the Democrats—to combine vicious legislation with either bills which it is necessary to pass in order that the functions of government may continue, or some bill introduced with a high-sounding title appropriating money for a worthy purpose, thus combining the good and the bad; and the minority, being unable to eliminate the bad, is required to swallow the whole nauseous, obnoxious dose.

The President very well knows that practically everyone in the country, as well as those in Congress, are fully prepared to vote any sums needed for adequate national defense. He knows better than anyone else that his policies have proven to be an utter failure; that his mistakes are becoming more glaringly apparent to the people as a whole, and, showman that he is, he now seeks to distract our attention from his latest freak sideshow by warning us that the cages in the menagerie, confining the ferocious animals, have become so weakened that we are in danger of being devoured or at least badly mangled, unless we prepare ourselves for defense.

Talking about aggressor nations, permitting Ickes and others to indulge in name-calling tirades, he has our whole Nation jittery.

Under the guise of defense he proposes measures and means, of which Army and Navy officers, best qualified to speak and who are charged with our national defense in time of war, do not approve.

In addition, to carry out his blustering braggadocio on the stage of world affairs, there is inserted in this bill what the gentleman from Pennsylvania [Mr. DITTER] so well described yesterday as the initial outlay for the improvement of the national defense at Guam. As the gentleman from Pennsylvania [Mr. DITTER] said, Guam under no circumstances would be of material aid as an outpost for defense.

It will be but a source of irritation, a festering sore in our international relations. There is absolutely no excuse for beginning at this particular time to fortify it. The only apparent reason is to afford the opportunity to the President to use it for further bluffing purposes.

Apparently he is not only willing to "play politics with human misery," but he appears to be willing to engage in a name-calling, bluffing contest with Japan, with Mussolini, and Hitler, when every sensible thinking man knows that, if his bluff is called, the American people will either "eat crow" or send hundreds of thousands of their sons to die on foreign soil.

No Nero, no Napoleon ever had less regard for the welfare of his people than has this man at the present time.

Could a secret poll be taken of the House, it is quite likely that 75 percent of its Members would vote against the fortification of Guam. But party discipline, the sincere conviction on the part of a few that some incidental advantage might be gained from fortifying that island, may retain it in the bill.

If it is retained, the rest of us, although we honestly believe that its fortification tends to lead toward war, will be forced to vote for the bill as a whole, regardless of our convictions that millions of dollars will be wasted through it because, knowing the man in the White House as we do, knowing his vacillating policies, knowing that no one knows from day to day what he may do tomorrow, knowing that he has no regard for his promises, we dare not take a chance and leave our people unprepared for a war which he may aid in bringing to pass.

If millions of dollars be wasted because of the passage of this bill, it will be because of the President's instability, his inconsistencies, and his desire to "strut his stuff" on the stage of world affairs.

Time and again I have voted almost alone against the waste of the people's money; but for this bill I will be forced to vote, even though it retains the Guam item, for the reason that we have in the Executive Mansion at this time a man who so accurately fits the description of another President, uttered by Abraham Lincoln when he said:

His mind, taxed beyond its power, is running hither and thither, like some tortured creature on a burning surface, finding no position on which it can settle down and be at ease.

He knows not where he is. He is a bewildered, confounded, and miserably perplexed man.

The President is so perplexed, he has so completely lost sight of the fundamental rights which belong to American citizens here at home, that he permits thousands of honest workingmen to be deprived of the opportunity to earn the money not only to sustain them, to buy food, clothing, and shelter, the necessities of life, but to contribute toward the fortification of that outpost which lies 5,819 statute miles from San Francisco.

On July 5, 1935, the President approved the N. L. R. A., the purpose of which was loudly acclaimed to be to lessen the causes of industrial disputes which affected foreign and interstate commerce. He appointed a Labor Board. He patted the Senate Civil Liberties Committee, headed by his friend, LA FOLLETTE, on the back. He shook, in friendship, the hand of John L. Lewis, who turned loose his wrecking crews. He permitted his campaign managers to receive almost a half million dollars' contribution collected by levying tribute on the United Mine Workers, and in return he aided and abetted the communistic-controlled organizations in their assaults upon industry.

His Charlie McCarthy, Governor Murphy, acting in the interests of these communistic-controlled organizations, cost the taxpayers of Michigan millions of dollars and gave an exhibition of law defiance, disrespect for court orders, and approval of mob violence that has never before been witnessed in this country.

Murphy had the effrontery to go before the Senate committee, when he was appointed Attorney General, and claim that he had always been for law enforcement and against the sit-down strikes. This he did almost 2 years after, for 44 days, he had followed a course which indicated that he would not do anything to interfere with sit-down strikes, with the conduct of those Communists who were depriving citizens of their property and their liberty without due process of law.

He also presumptuously, apparently laboring under the impression that the people either do not read or cannot remember, made the absurd statement that the evacuation of the plants at Flint, the settlement of the sit-down strikes, were due to his efforts. As a matter of fact, after the citizens of Flint had endured and suffered under Murphy's methods for more than a month, they gathered themselves together and made it known to the Governor and his cohorts that law must prevail in Flint, and it was in view of their threatening action that the plants were evacuated.

Nor were the strikes settled. Not long ago Homer Martin made the public announcement that, although the unions had a contract with General Motors, there had been a thousand wildcat strikes. During the past 2 weeks Michigan police have time and again been called to quell violence caused by jurisdictional disputes among the members of the U. A. W. A.

For days the company has stood ready to bargain collectively with representatives chosen to represent automobile employees. The President of the United States, his Secretary of Labor, the National Labor Relations Board, are making no progress whatever toward the settlement of this great industrial strife which is taking place here at home.

Let me repeat what I said in the beginning, for the gravity of the situation will bear repetition.

The morning papers tell us that again at Detroit some 17,000 or more men are out of work because of the failure of the Wagner law and the National Labor Relations Board to operate intelligently and effectively.

Why is it that this Board has failed to call an election in the plants of the automobile manufacturers? Why is it that it has failed to hold an honest, fair election, so as to determine for that industry who shall be the representatives of the employees for collective bargaining? What is it waiting for?

Is it not fair to presume that the Board knows that if such an election were held the overwhelming majority would be against that faction of the C. I. O. dominated and controlled by the Communists, that faction which has contributed so liberally to the New Deal campaign fund?

Is it not true that the National Labor Relations Board, to use one of its own expressions, is a "company-dominated union"; is itself a "company union," a union under the control and domination of the New Deal chieftains?

How much longer will we, knowing that the Wagner law must be amended if industry is to continue to operate; if workingmen, about whose welfare we seem to be so solicitous, are to earn a livelihood, continue to remain inactive here in Congress?

What invisible force is it that is tying the hands of Congress; will neither bring from the Labor Committee a bill of its own nor report out the bill introduced by the gentleman from Missouri [Mr. ANDERSON]?

What has the Republican leadership to fear in this situation? There is no doubt whatever as to the sentiment of the country at large. It is all for the amendment of this law and for legislation which will not only protect the employer but which will give protection to the employee; which will administer the law fairly and in a judicial spirit.

This latest strike in Detroit proves once again the incompetency, the maladministration of Murphy, and the evident purpose of the N. L. R. B. to insist that, before men work they must pay tribute to Lewis, who, in turn, contributes to the New Deal.

#### NAVAL AVIATION FACILITIES

Mr. VINSON of Georgia. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill (H. R. 4278) to authorize the Secretary of the Navy to proceed with the construction of certain public works, and for other purposes.

Mr. RICHARDS. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. RICHARDS. I rise to ask whether or not under the rules of the House there is any binding agreement as to a limitation of debate on the proposed Guam amendment to this bill, which is to come before the House?

The SPEAKER. The Chair has been furnished with a copy of the proceedings entered under this alleged agreement. It appears that there was at least a gentlemen's agreement among Members on the floor with reference to a limitation of debate on the Guam item, of 30 minutes, but the Chair is advised that no official order was made. The Chair will state, however, that he thinks, properly, that the proceeding

heretofore has been to carry out tentative agreements made between the majority and minority leaders on a question of procedure.

Mr. RICHARDS. My only desire in raising the question is that I did not happen to be on the floor at the time, and I do not consider that I am bound by the agreement made, if the agreement was not made under the rules of the House, though if it were, of course, it would apply to the action taken whether I was present or not. It is my construction of the rules that that agreement could be made only in Committee and not in the House, by unanimous consent or otherwise.

The SPEAKER. The request with reference to the time of debate or the agreement, carried into an order, could be properly made either in the House or in the Committee of the Whole by unanimous consent.

Mr. VINSON of Georgia. Mr. Speaker, I think the Speaker's interpretation is correct as to what occurred between the majority and minority leaders, as recorded in the RECORD. There was certainly a gentleman's understanding that this morning the debate would be confined to the amendment to eliminate the Guam proposal from the bill, and that there would be 30 minutes of debate, 15 minutes to be consumed by the majority and 15 minutes to be consumed by the minority. I think in fairness to the subject matter and in fairness to everyone those 15 minutes should be divided equally between those in favor of the amendment and those in favor of the item in the bill on both sides of the House. Therefore I ask unanimous consent that the 15 minutes upon each side of the House be equally divided by the Chairman of the Committee of the Whole House between those for and those against the item.

The SPEAKER. Is there objection?

Mr. RICHARDS. I reserve the right to object. I am opposed to the Guam provision in the bill and therefore would like to speak at least 5 minutes on the subject. The agreement as outlined by the gentleman from Georgia would give us only 7½ minutes on this side of the House on the part of those opposed to the item.

Mr. VINSON of Georgia. And 7½ minutes on this side of the House to be used by those in favor of the item.

Mr. RICHARDS. Will the gentleman agree to give me 5 minutes in opposition to this item?

Mr. VINSON of Georgia. As far as this side is concerned, I am willing to give the gentleman the 7½ minutes, if he wants to take all of the time on this side of the House in opposition to the provision, the other 7½ minutes to be consumed by those of us who are in favor of it.

The SPEAKER. For the benefit of the RECORD, will the gentleman from Georgia kindly restate his request?

Mr. VINSON of Georgia. Mr. Speaker, I ask unanimous consent that the 30 minutes be equally divided between those for the item in the bill and those against the item in the bill, relating to the amendment offered by the gentleman from New Jersey [Mr. SUTPHIN], and that the time be equally divided on the respective sides by the Chairman of the Committee of the Whole between those for the amendment and those against the amendment.

The SPEAKER. Is there objection to the request of the gentleman from Georgia [Mr. VINSON]?

Mr. RICHARDS. Mr. Speaker, further reserving the right to object, of course, I want to be a party to carrying out all gentlemen's agreements on any subject, but I was not here at the time that agreement was made. I want 5 minutes of this time in opposition to this bill. Will the gentleman give me 5 minutes?

Mr. VINSON of Georgia. As far as I am concerned, the gentleman can have it. If I have the time, he is welcome to 5 minutes or 7½ minutes.

Mr. MAPES. Mr. Speaker, further reserving the right to object, as a matter of interpretation, I assume that the gentleman from Georgia means, when he says the time shall be equally divided by the chairman of the committee, he means the Chairman of the Committee of the Whole?

Mr. VINSON of Georgia. Certainly; exactly.

Mr. NICHOLS. Mr. Speaker, further reserving the right to object, first, I would like to propound a question to the Chair, whether or not if the unanimous-consent request made by the gentleman from Georgia [Mr. VINSON] were granted, would that mean that the House was then agreeing to a limitation of 30 minutes' time for discussion of this matter?

The SPEAKER. It would, in the opinion of the Chair.

Mr. VINSON of Georgia. We have already agreed to that.

Mr. NICHOLS. In answer to the gentleman from Georgia, I think I understood the Chair to rule that there had been no official agreement by the House as to a limitation of 30 minutes' debate.

The SPEAKER. The Chair stated that there was no official order made upon that question. Therefore, it reverts back to the question of the tentative agreement made between the leaders.

Mr. NICHOLS. Mr. Speaker, further reserving the right to object, it seems to me that a limitation of 30 minutes in which to discuss this all-important problem is a very short length of time. I am frank to say to the Chair that I do not know what parliamentary procedure to pursue in order to give the House an opportunity to say officially whether or not it wants to be limited to 30 minutes in this debate. If I am not out of order at this time, I would like to move that the time for debate on this amendment be not limited at this time.

The SPEAKER. The Chair thinks the motion of the gentleman from Oklahoma would not be in order.

Mr. NICHOLS. Then I shall object to the request of the gentleman from Georgia.

The SPEAKER. Objection is heard.

Mr. VINSON of Georgia. Mr. Speaker, I renew my motion that the House resolve itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill (H. R. 4278) to authorize the Secretary of the Navy to proceed with the construction of certain public works, and for other purposes.

The SPEAKER. The question is on the motion of the gentleman from Georgia.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill H. R. 4278, with Mr. WHITTINGTON in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. The Chair asks the indulgence of the Committee to say that the bill has been considered with the exception of section 1, and that at the time of adjournment there was pending an amendment offered by the gentleman from New Jersey [Mr. SUTPHIN], who is now recognized.

Mr. NICHOLS. Mr. Chairman, will the gentleman yield?

Mr. SUTPHIN. I yield to the gentleman from Oklahoma.

Mr. NICHOLS. I presume the Chair has heard the parliamentary inquiry propounded in the House as to the limitation of time for the discussion of the Guam amendment. If I am not out of order, I move that the time for the discussion of the Guam amendment be fixed by the Committee of the Whole at 1 hour.

Mr. VINSON of Georgia. Mr. Chairman, I make the point of order that the gentleman's motion is not in order, for the reason that no debate has occurred on the amendment and the gentleman from New Jersey has been recognized. The time cannot be fixed until some debate takes place.

The CHAIRMAN (Mr. WHITTINGTON). The point of order is sustained.

Mr. NICHOLS. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. Does the gentleman from New Jersey yield to the gentleman from Oklahoma for a parliamentary inquiry?

Mr. SUTPHIN. I decline to yield.

The CHAIRMAN. The gentleman declines to yield, and the gentleman from New Jersey is recognized for 5 minutes.

Mr. SUTPHIN. Mr. President, in continental United States we have a coast line of approximately 6,000 miles.

On numerous occasions, when our Navy officials have appeared before the committee, I have questioned them regarding the defensive preparations which we have made along that coast line. They have all admitted that our defenses should be improved.

In this bill we are asking for an appropriation of \$5,000,000 to improve Guam, more than 6,000 miles away from our coast line. That is approximately four times the distance from the eastern shores of North America to Europe. My friends, where do we get off, spending our money in the troubled Asiatic waters? When we invade the troubled Asiatic waters it may be considered to be meant as a provocative measure on our part. If you put your hand in a lion's mouth he may close on it sooner or later. I regret to disagree with my chairman on this measure, because I have always supported every defensive measure. I believe in making America impregnable to the attacks of any nation, but I can see no reason in the world why we should leave our coast lines and extend 6,000 miles to Asia.

I went to France in 1917. My good friend who spoke this morning, the gentleman from Connecticut [Mr. MILLER], was in my outfit at one time. I have seen men die for their country. I am never going to vote to send my boy or your sons to participate in wars on foreign soil. [Applause.]

Mr. Chairman, this is a serious matter we are considering here. What do you suppose we would think if Great Britain undertook to fortify Bermuda? Would we consider it an overt act, a hostile act? Think of these things, my friends. I believe we can avoid a great deal of trouble in the future if we adopt this amendment to strike out the provision for Guam. [Applause.]

Mr. VINSON of Georgia. Mr. Chairman, I ask unanimous consent that debate on the amendment offered by the gentleman from New Jersey [Mr. SUTPHIN] be limited to 30 minutes, 15 minutes to be controlled by the chairman of the committee and 15 minutes to be controlled by the ranking minority member, the time to be equally divided on the respective sides by the chairman and the ranking minority member.

Mr. NICHOLS. Mr. Chairman, reserving the right to object, will not the chairman of the committee, my friend from Georgia, agree to an hour?

Mr. VINSON of Georgia. Let me say to my learned friend from Oklahoma that for 2 days the entire committee has devoted its time to debating this one item. It is the only controversial item in the bill. Every member of the committee and every Member of the House is thoroughly posted on every argument that can be made for or against it except probably they have not had the benefit of the technical knowledge of our learned friend from Oklahoma.

Mr. NICHOLS. Now, let me say to my distinguished friend that I do not pose as a technician in this matter.

Mr. VINSON of Georgia. Neither do I.

Mr. NICHOLS. And I do not pose as having any secret knowledge of any fact that I am sure my friend the chairman of the committee does not have. Insofar as this question having been debated for 2 days, I have looked at the RECORD and have found much matter discussed during that time that did not pertain to Guam. The item is placed squarely before the House by this amendment, and I do not think the chairman of the Committee on Naval Affairs should object to an hour.

Mr. VINSON of Georgia. I may say to the gentleman from Oklahoma that no effort was made in the committee when the matter was under consideration in general debate to cut off anybody whatsoever. We have been free, frank, and candid and have let everyone give the country the benefit of his views.

Mr. Chairman, in the spirit of compromise, if it is satisfactory, I amend my request and ask for 40 minutes instead of 30 minutes.

Mr. RICHARDS. Mr. Chairman, reserving the right to object, will my distinguished and learned friend the chairman of the committee give me 5 minutes out of that time?

Mr. VINSON of Georgia. I shall be delighted to give 5 minutes to the gentleman from South Carolina.

Mr. MARTIN of Massachusetts. Mr. Chairman, reserving the right to object, the proposal as to time is agreeable so far as I am concerned, but I question whether it is wise to have the time controlled by committee members. It has always been the practice in the past to have the Chairman recognize Members when time has been limited.

Mr. VINSON of Georgia. I am perfectly willing that the Chairman of the Committee of the Whole House on the state of the Union may control the time.

Mr. ROBSION of Kentucky. Mr. Chairman, reserving the right to object, a number of us have desired to speak on this important matter but have not been allowed time; yet other Members have spoken twice. All who wish to be heard on this item cannot be accommodated in 40 minutes. Unless the time is further extended, I shall have to object.

Mr. SCHAFER of Wisconsin. Mr. Chairman, I shall object. This is too important a matter upon which to limit debate—the question of war or peace.

Mr. Chairman, I object.

Mr. VINSON of Georgia. Mr. Chairman, I move that debate on this amendment be limited to 40 minutes, to be controlled by the Chairman of the Committee of the Whole House on the state of the Union.

The CHAIRMAN. The question is on the motion of the gentleman from Georgia.

The motion was agreed to.

Mr. VINSON of Georgia. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. VINSON of Georgia. Under the agreement the Chair will recognize Members on both sides of the aisle equally as between those for the amendment and those against the amendment?

The CHAIRMAN. The Chair will do its best in that regard.

Mr. MAGNUSON. Mr. Chairman, I rise in opposition to the amendment.

The CHAIRMAN. The gentleman from Washington is recognized for 5 minutes.

Mr. MAGNUSON. Mr. Chairman, I think it would not be amiss at this stage of the debate to get our geography a little straight on the question of Guam.

A great deal has been said by those opposed to this proposal. They have asked: What if Japan or some Asiatic power should fortify islands as close to continental United States as Guam is to Japan? Answering this inquiry let me say that since 1926 the Japanese Government have fortified and placed air bases the entire length of the Kuril Islands. These islands are north of the mainland of Japan. These islands are within 682 miles of the tip of the Aleutian chain in Alaska and are within 1,120 miles of Kodiak Island, the Unalaska base of this program.

Mr. FISH. Mr. Chairman, will the gentleman yield?

Mr. MAGNUSON. Mr. Chairman, I decline to yield.

Mr. FISH. How far is it from any American city?

Mr. MAGNUSON. Mr. Chairman, yes, I do yield to the gentleman and will answer him that our most precious possession is Alaska, and there are American citizens living up there, too. [Applause.]

That is a fact which should be considered in view of the argument about the provocativeness of the Guam proposal.

Mr. Chairman, in listening for 2 days here to the gentleman from New York and to some of those on the opposition it might be believed that we were bringing into this House a founding child in the form of Guam. May I say to the gentleman from New York that the Navy maintained an air base in Guam from 1920 to 1931 and the bill providing for an air base in Guam was signed by Harding, Coolidge, and Hoover. We are not bringing in here a new policy. This is not new. The Navy has proposed Guam as an air base on many occasions. It is true that we are asking for more money, but we are asking for more money at a time when these improvements are consistent with aviation and its development.

In 1920 and in 1931 the Japanese Government was not doing anything in the Pacific. They were enlarging their

military establishments at home. We have every reason to go ahead with the development of Guam that has gone on since 1920 under the administrations from Harding, on.

Mr. Chairman, this was merely an innocent proposal to begin with, although some may not agree with me in that statement. It has been heralded to the world, written up in Japanese papers, that the United States is going to fortify Guam. If we reject this proposal, Mr. Chairman, if you know the Japanese character like I know it, they will herald to the world that here is the greatest country in the world, when we protest against the dredging of a harbor in order to enlarge and enhance our air lines, backing down again, as it did in the case of the *Panay* incident. They will herald to the world that when the Imperial Japanese Government state they do not like this idea, despite the fact that they have armed the Kuril Islands during this period, and they will say to China and to all those yellow people who are now under their foot over there, that here again is a great nation that merely wants to dredge a harbor 1,600 miles from Japan but afraid to do so because it might provoke them.

Mr. McCORMACK. Will the gentleman yield?

Mr. MAGNUSON. I yield to the gentleman from Massachusetts.

Mr. McCORMACK. Is not the question of national defense a domestic policy? Would not the same argument apply against the building of any battleship? We are building up our national defense, having in mind potential enemies. This does not mean it is a threat to other countries. We are only concerned with our national defense, which is purely a domestic policy.

Mr. MAGNUSON. The gentleman is absolutely correct. May I say further that I do not think there is a man sitting in this House who wants to send his boy to war, but I think it is high time that we do give some consideration to America, American soil, and American defense. [Applause.]

The CHAIRMAN. The Chair recognizes the gentleman from Kentucky [Mr. ROBSION].

Mr. ROBSION of Kentucky. Mr. Chairman, ladies, and gentlemen, the bill before us proposes to authorize an appropriation of \$53,800,000 for certain naval construction. The immediate question now under consideration is the adoption of the amendment to strike from the bill the \$5,000,000 for the proposed improvement of the island of Guam. Because of the time allotted to me, I shall not have time to discuss this matter at length. I am opposed to fortifying Guam Island and the expenditure of the \$5,000,000 for that purpose, and, therefore, I shall vote for the amendment striking this sum from the bill. I oppose this naval development on Guam Island for what I consider a number of good and sufficient reasons.

In the first place, the highest authorities of the Navy agree that the fortifying of Guam Island is not necessary in promoting our national defense.

We have established in Hawaii our greatest naval, military, and air base, and when the plans are completed in the Hawaiian Islands our naval, Army, and air base there will be by far the most powerful in the country, and perhaps equal to any in the world.

The Hawaiian Islands are located in the Pacific Ocean, approximately 2,400 miles from the California coast. Our foreign policy has been built up on the proposition that the Hawaiian Islands should be and are our outpost in national defense in the Pacific Ocean.

Now, the island of Guam is approximately 3,800 miles west of the Hawaiian Islands, and approximately 1,400 miles from the shores of Japan. Guam lies within and is surrounded by 98 islands under the control of Japan. These are not fortified. The proposal to fortify Guam has stirred up a lot of resentment in Japan and a great deal of unrest in our own country. Japan considers such action as a threat to Japan. It is most unfortunate that this proposal should be made when world peace is so much disturbed and there is so much talk of war. In our opinion, this \$5,000,000 is only an initial expenditure at Guam Island. If it should be properly

fortified, it would require the expenditure of about \$150,000,000 more. It would be provocative of war between this country and Japan, and no one contends that this country could defend it against Japan in the event of war.

No navy or army could conduct successfully a major war with one of the great nations 6,200 miles from its shores. It simply cannot be done. In the case of any dispute between the United States and Japan they could take Guam Island, and then it would be up to us to spend, perhaps, billions of dollars and sacrifice many lives in an effort to retake it or submit supinely to the taking.

This Nation will have a deficit this year of approximately \$3,000,000,000, and perhaps \$4,000,000,000, for the fiscal year ending June 30, 1940, and the national debt then will be about \$45,000,000,000. We must borrow the money to provide this \$5,000,000 to improve Guam Island. I am opposed to borrowing the money for this purpose when, at the same time, we would be borrowing trouble.

There is no one on the floor of the House that contends that America could defend Guam fortifications 6,000 miles away from its shores.

Why create this discord between the United States and Japan, when in the event of war Japan could take Guam Island?

#### DANGER HERE—NOT OVER THERE

The President, in his recent message to Congress, devoted nearly all of it to foreign affairs, to dangers across the sea. He would have us believe that there is about to be another world war and we are bound to get into it.

The real danger to our country does not come from Japan or other countries in Asia, Africa, or Europe. The danger is not across the seas—it is here in the United States with our millions of unemployed, millions on relief, with continued increase in taxes, increased deficits, increased national debt, and the discouragement of agriculture, labor, and industry. This great army of unemployed and on relief and bad economic conditions and the threat to the credit of the Nation make up the real danger to your country and mine. [Applause.]

We should devote this money and other sums to the improvement of conditions in our own country and not spend unnecessary sums to provoke distrust among other nations.

#### FOLLOW WASHINGTON'S ADVICE

We heard read yesterday in the House of Representatives that wonderful document, Washington's Farewell Address to the American people, delivered in September 1796. He urged that we pursue a policy of friendship for all nations and entangling alliances with none—in other words, pursue a policy of neutrality. We have followed that policy through the years except we took sides in 1915 and 1916 and got into a world war in 1917.

President Roosevelt is pursuing the same policy that President Wilson pursued. He is taking sides in the controversies of the nations of Asia, Africa, and Europe. He now has aligned nearly half of the people of the world against the United States. This policy is bound to be hurtful and not helpful to the American people. He has caused, I believe, a substantial majority of the people to believe that we are drifting into another world war. A poll was recently taken of the Congress of Editors of the 48 States and District of Columbia. One thousand, one hundred and thirty-nine participated. One of the questions propounded was "Are we being eased into war?" Seven hundred and nineteen answered "yes" and 408 answered "no." Nearly two to one of the editors believe that we are being eased into another world war. The second question was, "Should the President promote military aircraft sales without War Department and congressional approval?" There were 225 "yeses" and 908 "noes."

We do not approve of the form of government in Japan, Italy, Germany, and many other countries, but we have no right to dictate their forms of government or pass upon their domestic matters. We certainly would permit no other nation to dictate to us our form of government or interfere in our internal affairs. Japan, Italy, and Germany have all

assured us time and again that they have no designs whatever against the United States. Japan, more than 7,000 miles from our shores and with a navy only two-thirds as large as ours, could make no successful attack on the Hawaiian Islands or continental United States. We have a Navy larger than the combined Navies of Germany and Italy. They could not come 3,000 miles and attack us, and no airplane has yet been devised that could fly from Japan, Germany, or Italy and bomb the United States and return to its base.

Furthermore, Japan, Italy, and Germany are surrounded by powerful enemy nations. Is there anyone so foolish as to believe that they would leave their own lands and shores neglected to come to the United States and seek a quarrel with us? Is it possible the administration, in talking about foreign wars and foreign affairs, desires to take the minds of the American people off of their own condition?

We must devote more time to our own affairs. We must create pay rolls to take the place of relief rolls. We must encourage our idle capital and enlarge production in agriculture and industry.

If we fortify Guam and make it our outpost of defense, we must change our foreign policy and have an army and navy big enough to police the world and in that way involve ourselves in foreign wars and have our boys die on foreign seas and in distant lands.

No nation will attack the United States. We can keep out of war by being neutral. Let us pursue the even tenor of our own way—mind our own business—and then we can devote some of these billions to improve conditions in our own country.

Nations cannot make war without war materials. Last year there were exported about 12,000,000 tons of scrap iron. Seven million five hundred thousand tons of this went to Japan for armaments and shells. Those who know say but for this immense amount of scrap iron received from the United States, Japan could not have made a successful war on China. We also sent Japan great quantities of oil, gas, and other necessary war supplies. We sent millions of tons of scrap iron to Italy and Germany for armament purposes. If we are in so much danger from these countries, why do we continue to strip our own country of its scrap iron and other war materials and send it to these nations? Whatever advantage of trade we may receive for these war supplies will be many times overcome on account of the billions that we are spending for fortifications and increasing our Army and Navy.

Therefore, Mr. Chairman, strongly believing in world peace and that this Nation should not enter another foreign war, I am unwilling to vote these millions of dollars to help provoke another war and at the same time borrow the money in order to borrow this trouble. [Applause.]

The CHAIRMAN. The Chair recognizes the gentleman from South Carolina [Mr. RICHARDS].

Mr. RICHARDS. Mr. Chairman, I dislike very much to disagree with my distinguished and able friend from Georgia, Mr. Vinson, chairman of the Committee on Naval Affairs, and, of course, I am not anxious to disagree with any member of that committee, and especially with those members on my own side of the aisle. However, this is a nonpartisan question. The Members on the Republican side are divided and the Members on the Democratic side are divided. The Republican members on this particular committee are divided and the Democratic members of the Naval Affairs Committee are not in accord on the question. I am not a member of the Naval Affairs Committee, but as a member of the Committee on Foreign Affairs of the House I cannot help but have great doubts as to the wisdom of including the Guam provision in this bill. Its inclusion would inevitably bring about changes in our foreign policy fraught with danger to our beloved country. I am against it and I hope it will be stricken from the bill.

Mr. Chairman, it has been implied here by some that possibly President Roosevelt, the great leader of the Democratic Party, is in favor of this provision. If so, we have had no

word to that effect. You will remember that on March 2, 1934, the President in delivering the only message he has sent to Congress on the subject of fortifications in the Far East stated that it is our aim and our purpose to withdraw from any fortifications and not to propose any new fortifications in the Philippine Islands.

Mr. COLMER. Mr. Chairman, will the gentleman yield?

Mr. RICHARDS. I yield to the gentleman from Mississippi.

Mr. COLMER. It is said there is no intention to fortify this island, that the intention is merely to improve the harbor. I would ask the gentleman if he cannot see in this the danger that if we are merely going to improve the harbor we may be improving it for some nation over there to use against us later?

Mr. RICHARDS. I thank the gentleman from Mississippi. That is camouflage. Read the hearings and read the report. They reek with proof that this is the first step toward eventual fortification of Guam. The President of the United States has said there is no intention on the part of the United States Government to fortify the Philippines. Then, I would ask my friends on this side of the House, if that be true, how can the President or how can anyone consistently say that we should fortify Guam, because without fortifications in the Philippine Islands the defense of Guam would be absolutely impossible.

If you are in favor of fortifying a tiny island 5,000 miles from the United States in the name of national defense, vote to keep the Guam provision in the bill. If you believe, when you consult your common sense, that this island could be defended under any circumstances against a great eastern power, then vote to retain the Guam provision in the bill.

Mr. BATES of Massachusetts. Mr. Chairman, will the gentleman yield at this point?

Mr. RICHARDS. I am sorry, I cannot yield.

If you are in favor of repealing the Philippine independence law sponsored by the Democratic administration, then vote to keep the Guam provision in the bill, because if you are going to fortify Guam it is the forerunner of the repeal of the Philippine independence act. Guam could not stand a day without the Philippines on our side.

If you believe in an alliance with some foreign power, vote to keep the Guam provision in the bill. If you believe in imperialism, retain this provision. If you believe in giving evidence of aggressive designs on the part of the United States against eastern powers, leave the Guam provision in here.

But if you do not believe in that, ladies and gentlemen of the House—and I particularly appeal to my friends on the Democratic side of the House, because I am afraid someone will rise here directly and say this is a policy of the Democratic administration, although we have no evidence that this is in line with any foreign policy of this Democratic administration—if you believe in arming for defense but not in spending one dollar to go into foreign seas, 5,000 miles away from home, to fortify a position we cannot hold and which is not necessary for the defense of our country, then strike the Guam provision out of this bill. [Applause.]

[Here the gavel fell.]

Mr. MAY. Mr. Chairman, I offer a preferential motion.

The Clerk read as follows:

Mr. MAY moves that the Committee do now rise and report the bill back to the House with the recommendation that the enacting clause be stricken out.

Mr. MAY. Mr. Chairman, a great American once said, "Speak softly and carry a big stick." I want to revise that statement and say that my idea is that the time has come when we should "speak plainly and carry a big stick." The trouble has been we have not had the stick. Last year France and England were in the same position.

I have heard comments on the floor of the House about this country and that country. I pray today that my country may always be at peace with all the world, but my country, at peace or at war, first, last, and all the time. The way to have peace is to have our word respected.

The question presented here is plain and simple. There are men on the floor of the House—and I do not question

their good faith; there are many of them, of course—who feel that the fortification of Guam might be considered provocative by a certain other country. This bill does not propose or provide for its fortification. They talk about Japan being dissatisfied with what we do on Guam. Whose business is it, and when did it ever become the business of any other country in the world what America does with her own property and her own money?

Today we, as Members of the House of Representatives, ought to be standing shoulder to shoulder, man to man, without a dissenting voice on this question. Why should we listen to the protest of Japan or any other country about why or whether we should fortify Guam? Did not Japan disregard every sacred obligation of the treaty of 1922? Have they not closed the "open door" in China and told America to go straight to hell, in effect? Have they not fortified islands within 900 miles of the American shore? Have they not deliberately shot down into the sea an American vessel flying the American flag, the Stars and Stripes, and after doing that did they not assault our sailors? Have they not violated our rights in many places, and then sought to satisfy us with an apology? Oh, yes, Mr. Chairman, the time has come when we must be either Japanese or Americans. [Applause.] The time has come when American representatives of the bravest, the most patriotic, and the freest people on the face of the earth must take their stand for or against this country. The time has come when, I say to you, as far as I am concerned, and all I have in this world—my life and my liberty with it—the American frontier is wherever in this world the Stars and Stripes floats. [Applause.]

We face today this question: Which side will you serve? Which side do you choose? As far as I am concerned, we choose today to fortify our own islands whenever and wherever we please, and let the consequences follow, and to say to the world that it is a peace move; that we propose to have our flag respected in Guam and Manila, in Hawaii and in Panama, and in our every island possession, and that the might and the power of the American Government and its people are behind the proposal. [Applause.]

I shall vote against the amendment.

Mr. NICHOLS. Mr. Chairman, I rise in opposition to the motion of the gentleman from Kentucky [Mr. MAY].

Mr. Chairman, I wonder if I have to be a Japanese in order to oppose, as a Member of the House of Representatives, a part of a bill which provides for the fortification of the island of Guam. My distinguished friend from Kentucky says that now is the time to be Americans or Japanese. Well, I yield to no man alive in my patriotism to these United States, under whose colors I marched for long months in 1917 and 1918. Mr. MAY or any other Member of this House is any truer American than am I.

Whose business is it, says my distinguished friend from Kentucky, what America does with her possessions? Probably the business of no foreign land, but it becomes important business of the United States what we do with her possessions [applause], and when the time comes that doing something with a pin point in the outlying Pacific Ocean—if by doing that thing we might jeopardize the peace of the people of this Nation, then it is the business of the United States to do that thing only after mature consideration. [Applause.]

Mr. MAY. Mr. Chairman, will the gentleman yield?

Mr. NICHOLS. I am sorry I cannot yield.

The word "fortification" is used by gentlemen discussing this subject when they refer to Guam, but in sane moments they tell us this is not a fortification, this is only the dredging of a harbor.

No one in this House is more interested than I am in the development of aviation, both foreign and domestic. I am perfectly willing that landing fields on water and land at Guam should be provided for civil and military and naval craft. I am not afraid that dredging the harbor at Guam is going to be a threat to Japan; I am only afraid of what will happen after the harbor is dredged at Guam and when the time comes really to fortify Guam. I am not afraid of this first step; I am afraid of the steps that will follow after this step is taken.

Mr. RICHARDS. Mr. Chairman, will the gentleman yield?

Mr. NICHOLS. I yield only for a question.

Mr. RICHARDS. Does not the evidence show that high naval officials expect to come back later and ask for more money to fortify Guam?

Mr. NICHOLS. I am not sure, but that is my understanding.

Mr. BARRY. Mr. Chairman, will the gentleman yield?

Mr. NICHOLS. I yield.

Mr. BARRY. This is supposed to be a defense item. If a were were actually started, would not this be a \$5,000,000 contribution to Japan, inasmuch as we could never defend Guam?

Mr. NICHOLS. In my judgment, the gentleman is right, and here is another reason I am against this proposition of dredging this harbor at Guam. Whatever money we spend there, if we ever have trouble with Japan, and God forbid that that should ever happen—but if we do have trouble with Japan, this is an outpost that we set up out there that we cannot possibly defend without the expenditure of millions and millions more of American dollars, and if we did defend it successfully we still have not accomplished anything; and if you put out there on that island a contingent of American soldiers and if the Japanese want to declare war on the United States the best way in the world for them to force us into war would be to sneak up on that island sitting out there by itself, not as big as the palm of your hand, and with Japanese troops and with the Japanese Navy kill some of our soldiers and we are immediately thrown into war, when there was never any sense of being there in the first place.

Mr. HEALEY. Mr. Chairman, will the gentleman yield?

Mr. NICHOLS. I yield.

Mr. HEALEY. Does the gentleman believe that the fortification of this outpost is indispensable or absolutely necessary to our scheme of national defense under present conditions?

Mr. NICHOLS. Why, of course not, and no gentleman supporting this Guam fortification will get on this floor and say that it is absolutely necessary and indispensable to our scheme of national defense.

No one has pointed out material benefit that will flow to the United States by the dredging of the harbor at Guam and no one will argue that the mere dredging of the harbor could in anywise materially increase our ability to defend the United States; and since this is the situation, does it not impress you, ladies and gentlemen of the House, that since the admitted benefits that will flow to the United States are so few that the great possible hazard by reason of a psychological condition that might grow up in the minds of the Japanese by making this first move toward the fortification of Guam, agree that the hazards far outweigh the benefits that could flow from this venture?

For myself, I am anxious that I do nothing which would give, first, my constituency and, second, my children reason to be able to justly accuse me of having done something while a Member of this body that contributed to conflict between this country and any other country, and certainly not Japan. As long as I am a Member of this body I shall never knowingly do anything which will encourage our Government in going to war. I shall never vote as a Member of this body to any more send the blooming youth of this land on to a foreign soil to spill their blood in battle.

Therefore, in this connection, I warn that we should proceed cautiously in doing anything that could be considered by any foreign power as a direct thrust from this Government toward another government, lest in the future we be compelled to over a long period regret acts of ours here done in haste.

Let us not spend this \$5,000,000 to dredge a harbor around a pen-point island 6,000 miles into the Pacific from the western coast of the United States. Rather than that let us take the \$5,000,000, spend it for the relief of the hungry, the unemployed, and the underprivileged of this country.

The CHAIRMAN. The question is on the motion of the gentleman from Kentucky that the Committee do now rise and report the bill back to the House with the recommendation that the enacting clause be stricken.

The question was taken, and the motion was rejected.

Mr. MOTT. Mr. Chairman, I was very glad to hear the distinguished gentleman from South Carolina [Mr. RICHARDS] state so emphatically a few moments ago that this is not a partisan measure, and that statement has been made by others, including the chairman of the Naval Affairs Committee and the ranking Republican member of that committee.

This is an administration bill, it is true, but as a Republican member of the Naval Affairs Committee who is supporting the bill and each of the several items in the bill, I am glad to be able to say that never at any time in the 3 weeks of continuous hearings on this bill before the committee has one word been uttered which could possibly be construed as partisan or political. [Applause.]

There is honest difference of opinion on both sides of the aisle as to whether the Guam item ought to be included in the bill, and those who believe it should be included, as well as those who believe it should not be included, are sustaining their contentions from what they conceive to be patriotic motives alone and not from any motive of partisanship.

I think there has been a good deal of confusion here, and, as I stated yesterday on the floor, it would have been of great advantage to all had the entire membership of the House been able to hear the statements of the gentleman from California [Mr. IZAC] and the gentleman from Minnesota [Mr. MAAS], both of them naval experts, upon this item of Guam. Those two statements contained the whole argument in support of the proposal to develop the harbor at Guam. To me the case is entirely clear and the argument entirely convincing.

Many people are of the opinion that developing the island of Guam, as provided in this bill, will be extending our line of defense. There is no testimony in any part of the hearings which would support such opinion. The development of the harbor at Guam will not extend the Aleutian-Hawaii-Panama line at all. It will simply implement it, but most decidedly it will help us defend that line in event we should ever be called upon to defend it.

Guam is on the flank of Japan and, in the opinion of all the naval experts who have appeared before our committee, the reason the harbor of Guam should be made available for use, not only of commercial aviation and navigation but of our own naval seaplanes as well, is that from that point we will be able to scout an enemy fleet in event of an emergency. Unless this harbor is improved to the extent provided in the bill it can be used neither by the new type commercial clipper ships, which are now being built, nor by our own naval plans. The improvement, therefore, is valuable and desirable both for commercial and naval aviation.

The argument that the development of this harbor would be offensive to Japan may be effectively answered by two statements. The first is that if it is desirable, either from a commercial or military angle, or both, to make this improvement then it should be done whether Japan likes it or not. I should hate to think the American people had reached a state where they deemed it proper to ask the consent of a foreign nation for the development of one of our own possessions. The second answer is that there is nothing in this proposal which could possibly offend Japan. We have already authorized a naval base in Alaska much closer to Japan than Guam is, and Japan has made no protest. Japan has developed harbors for naval purposes in the Marshall Islands, which are much closer to Hawaii than Guam is to Japan, and we have made no protest. In my opinion, the argument that we should not develop Guam because Japan may not like it is ridiculous and groundless and indicates that those who make it have not thought the subject through.

Here is the principal advantage we will receive if we make the Guam harbor available for the use of our naval planes: We will be able from Guam to give information to our own fleet, wherever it may be placed in a time of emergency, that the enemy fleet is maneuvering. We can warn our fleet where the enemy is and what he is doing. That alone may assist us to a very great degree in the winning of a war, if war should

come to us from the Pacific. It may even be a decisive factor in the successful prosecution of that war.

It has been said that Guam cannot be defended. That, of course, is true, but it is beside the point. No one expects Guam to be defended for any length of time, and no one has said Guam could be defended against an attack in force. It may, however, by making the facilities there available for our own naval planes, be the means of holding up an attack on the United States or our outlying possessions for a week or even several weeks, and there are circumstances which you can all imagine wherein if we could hold up an attack on Hawaii for even 1 day, the expenditure at Guam would be a thousand times justified.

Now, those are the reasons, and all the reasons that have ever been given for the improvement of the facilities at Guam. And these facilities are not fortifications. That ought to be clear to everyone, because it was thoroughly thrashed out in committee and has been fully explained here on the floor. The statement of The Assistant Secretary of the Navy is definite upon that point. He stated to our committee, in answer to a number of direct questions, that this is an independent project, that it does not contemplate fortification, that it is earnestly to be hoped the international situation will never be such that the Navy Department may deem it necessary to recommend to the Congress the fortification of that island, and he declared most emphatically that the Department had no such intention at the present time and that no fortification of Guam is contemplated. [Applause.]

The CHAIRMAN. The time of the gentleman from Oregon has expired.

Mr. SHANNON. Mr. Chairman, I do not think it would be right for me to take up much of the time of this House today, after talking for 30 minutes yesterday. Hence I shall make my remarks brief.

I wish the speeches of the gentleman from Kentucky [Mr. MAY] and the gentleman from Oregon [Mr. MOTT] had been made earlier in these discussions. Then perhaps we could have more plainly understood the "bushwa" we have been listening to ever since this question first came up.

When the naval aviation facilities bill came before the Naval Affairs Committee for hearing, 14 bases were recommended. The last on the list of recommendations was for the base at Guam; it was hidden away down at the end. But, Lord bless us, from the very first day of the hearings it was a case of the last being first; Guam was the one controversial question. Every witness who spoke on behalf of the Guam project said that the improvements were not being proposed for military purposes.

But when the gentleman from Kentucky spoke a while ago there was fight in every word that he said. Likewise, there was fight in what the gentleman from Oregon had to say. I know that many Members of this House would favor a fight whenever necessary, but I do not believe the great majority in this body believe in unnecessarily bringing on a fight.

#### FORTIFICATION OF GUAM A WAR GESTURE

Should this country go forward with these plans for the fortification of Guam, such an indiscreet act would immediately be accepted by one of the great aggressor nations of the world as a war gesture. Japan would undoubtedly point her finger at us and say: "You are the aggressor. You came more than 6,000 miles to fortify an island right on our shores."

If this project at Guam is as necessary as its proponents indicate, we will have to find Presidents William McKinley, Theodore Roosevelt, William Howard Taft, Woodrow Wilson, Warren Harding, Calvin Coolidge, Herbert Hoover, and even our present administration for the past 6 years, guilty of laches for failing to take notice of that grave necessity years ago. They did nothing and proposed nothing for Guam. Suddenly, out of the dark, somebody comes out at this late day and says: "You must improve Guam; you must fortify Guam; and you must do it without delay."

Why must we do without delay now that which was not found necessary before? I say it amounts to telling the

American boys, "It is necessary that you go to foreign shores and fight."

The American people do not want to fight anyone on the face of this earth. This is not a peace measure. It is a threat, and a threat that will take us into war if we do not stop it now.

In conclusion I want to say this: Some Members profess they do not see any military implications in this proposal. If they do not, then I will tell them that there is not a 15-year-old schoolboy in the United States today who does not know that this is a step in the direction of war. [Applause.]

The CHAIRMAN. The time of the gentleman from Missouri has expired.

Mr. HENDRICKS. Mr. Chairman, I realize that in the 3 minutes allotted to me there is not time enough to discuss an all-important subject such as this. I am inclined to vote for this \$5,000,000 for Guam, because I am getting sick and tired of having the Japanese sink our boats, insult our soldiers and our Army and Navy officers and our citizens, and then say, "We are very sorry." I am getting rather tired of finding them in the Caribbean Sea at this time, when we are having maneuvers, and I understand that two Japanese officials are vacationing in Puerto Rico at this particular time. I remember that one of our great Presidents said that the way to maintain peace is to speak softly and carry a big stick. Up to the present time we have been employing soft words, but not carrying a big stick. We see England in a difficult predicament now because she has been practicing disarmament and peace while other nations were arming, so it is my inclination to say to Japan that Guam is our island and that we will do with it as we darn please, regardless of what they think, but, on the other hand, just for the simple reason of provoking thought I want to ask a question.

Mr. KEEFE. Mr. Chairman, will the gentleman yield?

Mr. HENDRICKS. No; my time is too short. I understand that Admiral Leahy has said that we would have to have a great increase in our Navy to protect Guam.

I understand that Admiral Hepburn has said it would take \$150,000,000 to fortify Guam. It is my thought that we gave the Philippines its independence because we realized it was indefensible. Now, if that is true, why would we go over among 1,400 Japanese mandated islands and set up fortifications on Guam? I would like to ask that question, Mr. Chairman, simply to provoke thought.

Mr. VINSON of Georgia. The bill, in the first place, does not call for any fortification whatsoever.

Mr. HENDRICKS. Yes; but the Japanese and I disagree on that. You may say we did not give up the Philippines because we could not defend them, but I think we did. I also think we are fortifying Guam, and if we are not doing it now, what we are doing will lead to it.

The CHAIRMAN. The gentleman from Minnesota [Mr. MAAS] is recognized.

Mr. SCHAFER of Wisconsin. Mr. Chairman, will the gentleman yield for a parliamentary inquiry?

Mr. MAAS. If it is not taken out of my time.

The CHAIRMAN. It can only be taken out of the gentleman's time.

Mr. MAAS. I do not yield, Mr. Chairman.

Mr. Chairman, we are making an awful, awful fuss about nothing. I really cannot understand why all this great excitement about whether we dredge a harbor in our own territory or not. Why all this talk that this is going to offend Japan? In the first place, what difference does it make if it does, if we have a right to do it and we should do it? We should not be concerned about the necessity of appeasing public opinion somewhere else when it could not possibly lead to war, whether it offended them or not. But it has not offended anybody in Japan. All the excitement about this thing and all the talk about the danger of leading to war is right here in this House. There is not any of it in Japan. There is no excitement in the Parliament of Japan about our dredging the harbor of Guam. The Navy Minister reported to the Japanese Parliament that not an additional nickel is going to be spent in Japanese military or naval preparations

because of what we may do in Guam. So that has nothing to do with it.

The whole excitement seems to be because the Navy is going to dredge this harbor. Many Members in opposition to Guam have said that if the Navy did not dredge the harbor they would not object to it at all. Apparently then, this very project is perfectly all right if it is a river and harbor project. Well, the island is a naval island. It is run by the Navy. Every bit of public works done on the island of Guam has been done by the Navy. There is no civil administration in Guam. The Governor is a naval officer. The dredging, therefore, is properly done by the Navy, as everything else in Guam is done by the Navy. All this talk about foreign implications in a proposal to defend some of our own territory. We are not going to put fortifications in Guam, but we are in a sorry state in this country when we are willing to say to the world that we will not hold inviolate any American territory anywhere. We have come to a low state when we are willing to appease the dictators by surrendering American territory without even a fight. Oh, I wonder what our forefathers who created this Nation would say about us, when we have come to the point that we are willing to surrender sovereign American territory without even a fight, because when you deny yourself the right to use any of your territory, you are surrendering it. Are we going to join hands with France and England in a program of appeasement to the dictators? They had to do it because of the people in France and England who would not permit them to prepare to defend themselves, and so they lost a war without even a fight in their own defense. Oh, yes, we can save our American boys from a fight. We can prevent this country from ever going to war, but at the price of surrender without even a fight; at the price of degradation; at the price of the loss of the American standards of living; at the price of slavery, which will be worse than war. [Applause.]

That has never been the American policy, and I hope to God we are not going to create it so today. Even England and France in their degradation had not sunk so low that they were willing to appease the dictators by giving away their own territory. Oh, they gave away territory, but it was somebody else's territory. [Laughter and applause.] Are you willing to give away American territory? Oh, this is all nonsense and bunk, this talk about dredging a harbor in Guam being a cause for war. The island is being dredged for two purposes.

Mr. SHORT. Mr. Chairman, will the gentleman yield?

Mr. MAAS. I cannot yield in this short time I have. The island of Guam, with a dredged harbor, fortified or not, is not essential to the defense of this Nation. We will win a war if we get into one, but I will tell you if you Members of Congress today vote to prevent the dredging of a harbor which will permit the training of our pilots in the Pacific, which will permit the utilization of that harbor for our scouting planes so that we may know of the possibility of any enemy movement toward us, you are going to take a terrible responsibility upon yourselves, perhaps that of the loss of millions of American lives that will be needlessly sacrificed thereby. This island has commercial value in time of peace. It is essential, absolutely essential that we dredge this harbor if we are going to continue to operate our commercial airplanes across the Pacific. It is, on the other hand, highly desirable that we have it for training purposes for our Navy airplane pilots so that they may become familiar with those waters, air and weather conditions, and have available a suitable place from which scouting may take place if international conditions become critical.

Such activities will offend no one, unless some nation has hostile designs upon us.

Most of this great flurry of excitement about Guam offending Japan and being provocative is a result of deliberate pacifist agitation in this country.

Why is there always this violent protest in America itself every time a proposal is made to improve our own defenses?

Why is there this constant opposition to an adequate defense program in this country?

Defenses are never a threat to the peace of the world. Defenses cannot be provocative. Defenses cannot be objectionable to foreign countries, unless such foreign countries plan hostile activities against us. Therefore, are we not very foolish to be influenced by such protests?

You do not invade foreign lands with defensive scouting planes. But such scouting planes may make possible preventing a hostile navy from invading our territory by warning us in advance that such a foreign navy is on its way toward us. If we do not have such information, our Navy may be caught in a most unfavorable situation for defense against an attacking fleet; and our Navy under such circumstances may suffer defeat, even annihilation, resulting in a long disastrous war for us, with perhaps ultimate defeat.

I do not believe the United States can now be successfully invaded. I believe that even without Guam we will ultimately win a war if one is waged against us, but it may be a very long and tragic war, with the loss of untold millions of American boys, the destruction of American cities by aerial bombardment, and ruthless bombing of American women and children.

If war be forced upon us, let that war be fought as far from our shores as possible.

Let us provide every defense against invaders that we can.

By the way, when did defending one's self become considered as aggressive? When before has anyone ever interpreted defense as provocative? Such suppositions are utterly ridiculous. They show an astounding lack of understanding of bare fundamentals.

Even if we were to fortify Guam—and we are not—how could this be considered a threat to Japan, unless Japan has sinister plans in our direction in the Pacific?

We could not invade Japan with a fortified island. Yet even an unfortified Guam, with a properly improved harbor, might prevent Japan from attempting to attack Hawaii or the Panama Canal. Because scouting planes operating in Guam would detect a movement of the Japanese Navy in our direction and would put our fleet commander in possession of such vital information instantly. This would permit the American Navy to meet an oncoming fleet under the most favorable conditions for the success of such a naval engagement.

The success of such an engagement by our Navy would end the war and make unnecessary even mobilizing our Army.

This is so well known in Japan that the mere presence of American naval scouting planes in Guam will tend to reduce to the minimum even the danger of hostile activities upon the part of Japan. Under such circumstances I do not believe that the Japanese will risk the danger of the destruction of their fleet by an open engagement with ours.

The whole success of any possible naval attack upon a vulnerable spot in our defense system would depend upon the element of surprise and secrecy.

Developing a harbor at Guam will do more to prevent such a surprise move than almost any other single thing we can do.

If \$5,000,000 is spent on Guam, and it serves to reduce the likelihood of an attack and perhaps to prevent it, it will be the cheapest expenditure we have ever made in our history.

To sum it all up, the development of a harbor at Guam is essential to continued American trans-Pacific commercial aviation; it cannot, by the wildest stretch of the imagination, be construed as a threat to Japan or anyone else; it will provide a most valuable training stop for our naval aviators, who are the eyes of the Navy; and lastly, it will tend to stabilize conditions in the Orient, rather than to upset them, by making a naval attack upon the United States a very dangerous undertaking in the Pacific, by destroying the chance for a surprise naval attack. This in itself reduces to a further minimum the general danger of war in the American hemisphere, because no European powers would nor could successfully invade any part of the Americas without a joint simultaneous attack in the Pacific.

Therefore, improving the harbor at Guam is distinctly a defensive measure in the interest of preserving peace. [Applause.]

[Here the gavel fell.]

The CHAIRMAN. The Chair recognizes the gentleman from Michigan [Mr. MICHENER] for 5 minutes.

Mr. MICHENER. Mr. Chairman, I do not intend to use all of the time allotted me. Of all the problems that will come before this Congress, none will outweigh in importance the question of our national defense. I voted for the Army defense bill the other day, and I hope to be able to vote for this bill today. With the light that I have, I cannot vote for the bill with the item concerning the island of Guam included.

None of the members of the Naval Affairs Committee contends that Guam is a national-defense project. We are assured that it is not, but that it is a commercial project, and that the dredging of the harbor, as provided in this bill, is for the betterment of commercial and air navigation. The chairman of the committee and, I think, all those familiar with the facts, who do not permit their emotions and their sentiments in behalf of the development of the branch of the military service in which they are interested to run away with them, have repeatedly impressed upon us that this is a "commercial" project and not a "national defense" proposal. I think the only exception to this position, so far as the debate shows, was the argument made by the gentleman from California [Mr. EATON], who pointed out that there was military value and advantage in spending this \$5,000,000 in the development of this harbor at Guam. All, however, are agreed that there is no thought at the present time of fortifying the island and attempting to make it a real national-defense asset. I cannot escape the conclusion, therefore, that in these times, when the Government is spending more money than it takes in, and when we must borrow this \$5,000,000 if we do dredge this harbor, my constituents do not want me to vote for the project. I say they do not want me to vote for the project; that is, unless it is essential to our national defense. And I repeat that there is no evidence, and I believe no contention, that this development is essential to our national defense at this time. Whether or not the development of this harbor should be considered by the Rivers and Harbors Committee or by the Naval Affairs Committee is beside the question for the moment. I repeat that if this is not essential to national defense, then we should eliminate it from the bill.

Mr. GIFFORD. Mr. Chairman, will the gentleman yield?

Mr. MICHENER. I yield.

Mr. GIFFORD. I want to inject this little thought: If the Japanese could so easily take it, as portrayed, why build it for them? This brings to mind some lines by Ogden Nash I read a while ago:

How courteous is the Japanese;  
He always says, "Excuse it, please."  
He climbs into his neighbor's garden  
And smiles and bows and begs his pardon.  
He bows and smiles a friendly grin,  
And calls his hungry family in.  
He smiles and bows a friendly bow:  
"So sorry! This my garden now."

[Laughter.]

Mr. MICHENER. I thank the gentleman from Massachusetts for his contribution. However, injected into the bowels of my speech, I hope that your thoughts will not be diverted from the more serious aspect of this matter.

This is not a partisan question and should be decided entirely without prejudice, without feeling of emotion, without sympathy. The action we are about to take should be based on sound argument and logic, having in mind but one thing—that is, requisite, adequate defense.

The development of this harbor for commercial purposes may be most laudable. Yet there are many things that may be desirable which the country cannot afford at the present time. I doubt if anyone here would contend that the development of a harbor in the island of Guam for commercial purposes ranks in importance in any sense of the word with many of the economic problems now confronting us in the homeland. The taxpayers cannot pay for all things that are desirable. We must do first things first.

Mr. SHORT. Mr. Chairman, will the gentleman yield?

Mr. MICHENER. I yield to the distinguished gentleman from Missouri.

Mr. SHORT. How would the people of the United States feel toward any foreign power which would undertake to fortify Bermuda, Nassau, or Cuba?

Mr. MICHENER. Just exactly as every Member of this House would feel. They would regard it as an indication that that foreign nation intended to go farther in the Western Hemisphere than it had gone in the past—in short, as an act of aggression.

Mr. RICH. Mr. Chairman, will the gentleman yield?

Mr. MICHENER. I yield.

Mr. RICH. Should this bill pass carrying the Guam item, would the gentleman think it was a national-defense item, an item that eventually would get us into war because we are preparing for it?

Mr. MICHENER. It might be very difficult to convince anyone that a project in a national-defense act was not for national defense, regardless of what we called it. I am afraid of the consequences.

Mr. Chairman, no objection whatever from any source throughout this more than 2 days of debate has been raised to any part of this national defense bill other than the beginning of the fortification of this island of Guam. Now, mighty few folks back home know where the island of Guam is. However, if they will take their world maps and start with San Francisco and go 5,400 miles to within 1,500 miles of Yokohama, Japan, they will there locate this small island 30 miles long and 6 miles wide. It came into the possession of this country as a result of the Spanish-American War. It is not so far distant from numerous other islands owned, controlled, and, we understand, to some extent fortified by Japan. The island is inhabited by approximately 20,000 persons.

It is generally conceded that our national defense requires an off-shore line of protection, and this begins with the Aleutian Islands way up yonder opposite our Alaskan shore, and extends down through Hawaii, the Samoan Islands, and the Panama Canal. Hawaii is 2,063 miles from San Francisco, and Guam is 3,337 miles west of Hawaii. In other words, we are going west of our present fortifications in Hawaii, 3,337 miles into the front dooryard of Japan, and there we are dredging a harbor, ostensibly for commercial purposes, but which can be fortified by carrying the improvements further. The gentleman from Missouri [Mr. SHORT] asked a very pertinent question when he inquired as to what our country would think if any other nation should attempt to develop or fortify a naval base on any of the many islands not farther from the United States in the Western Hemisphere than Guam is from Japan in the Eastern Hemisphere. You and I know what they would think. This Congress would be up in arms at once. The whole country would be satisfied that Japan had started to prepare for a war on the United States, or at least to be better prepared to meet the eventuality of any such conflict. For this country to take the Guam step at this time just does not make sense if we are trying to avoid war, remain at home, attend to our own business, and provide for defense to repel the attack of any aggressor. That is what the American people want, and they want no more. We can all talk about hating war and not wanting war, yet such an indiscreet act as going into the Orient and asserting our military power may bring us to the threshold of war. Why take the chance if it is not essential to our naval defense?

Many of us are very much opposed to the attitude of aggressor nations. We disapprove most strongly of Germany's attitude in Czechoslovakia, of Italy's attitude in Ethiopia, and of Japan's attitude in China. We do not believe in these things, yet our people are not willing and would protest against our taking any action in the Congress that would bring us into war with any of these nations, even though we are in sympathy with one side or the other in these respective conflicts. I just wish that every person in the country would reread George Washington's Farewell Address, to which we listened on February 22. It fits present-day conditions exactly, and I am sure that I am not in

error when I say that it speaks the sentiment of an overwhelming majority of the American people right now.

This proposed legislation—eliminating Guam—finds its genesis in the act of May 17, 1938, providing that the authorized strength of the Navy in naval vessels be increased by 20 percent, and in naval aircraft by 50 percent. Understand, this legislation we are considering today does not contemplate building additional battleships, cruisers, and airplanes. The purpose is to implement the additional naval vessels and the additional naval airplanes already provided.

I voted against the authorization of the additional battleships when the act of 1938 was up. I should do likewise today. However, I was one of the minority. The battleships and all the rest have been authorized and are going to be constructed. In these circumstances it would be not only unwise but decidedly silly to refuse to make this new, expensive equipment efficient. The purpose of this bill is to give maximum and necessary efficiency to our national defense, having in mind the act of 1938.

This bill embarks upon no new policy unless we decide to fortify Guam. All the experts tell us that the items in this bill, excepting Guam, are necessary for our national defense. I realize that Army and Navy officers and the Military and Naval Affairs Committees in this House are honest and sincere, but are apt to become enthusiasts and advocates rather than maintaining the judicial attitude that the House must assume in passing upon this great question. I have no quarrel with anyone who does not agree with me in these matters. We can all be patriotic, honest, and sincere, and yet not all agree on procedure, so far as our national defense is concerned. We are all agreed, however, that we want no more war; that we do not want to send our boys to any other country to fight other people's battles; and that we will spend whatever money is necessary, and provide whatever defense is necessary, to save our American democracy and protect our homes.

There have always been two groups in this body, when the expansion of our Navy is up for consideration, honestly differing in what essential national defense is. I have always insisted that we cannot definitely determine what adequate defense is until we know what our foreign policy is. I notice that Admiral Hepburn, in the hearings before the committee, stated that the naval authorities could not outline a permanent and static line of national defense so long as we have no permanent and static foreign policy. I do not see how we are going to have an absolutely definite foreign policy. Therefore, details of a national defense, so far as our far-flung interests are concerned, is a matter that cannot be at one time disposed of for all time.

Debate is about concluded and within the next few minutes we shall be called upon to cast a vote which in the minds of many of us may mean trouble, if not an excuse for war, in the Orient. The responsibility is ours. The consequences will inure either to the benefit or the detriment of our people. In this frame of mind, and in this solemn hour, let us not be swayed from what our best judgment and conscience tell us to do, regardless of whether this is an administration measure or an antiadministration measure. Our only rallying point when the roll is called should be around a desire for national defense and nothing else.

The CHAIRMAN. The Chair has thus far recognized all gentlemen requesting time except one. The Chair now recognizes for the remaining 5 minutes, the gentleman from Texas [Mr. RAYBURN].

Mr. RAYBURN. Mr. Chairman, I quite agree with the gentleman from Minnesota [Mr. MAAS] that there is no reason whatsoever for unseemly excitement about section 1 of this bill. If I wanted to justify this statement I would merely read the minority report. Every argument I would have to meet for this bill is met by the language of the minority report. The minority report states:

We recognize the right of the United States to establish military facilities in Guam.

We are attempting, and the committee is attempting, no such thing as that in this bill.

The minority report further states:

We recognize and approve the necessity of harbor improvement provided by this measure for the purpose of aiding commercial trans-Pacific aviation. Were this work done by the Army engineers after the Committee on Rivers and Harbors had passed a bill authorizing it we would have no objection to it.

In other words, the minority says it would be a fine thing if we did this with our right hand, but it is a terribly dangerous thing to do it with our left hand. [Applause.]

For the life of me I cannot understand why gentlemen on both sides of the aisle get excited, because we want in some fashion, in the most peaceable way in the world, to use a possession of ours. If the Army engineers under a bill brought in by the Committee on Rivers and Harbors were dredging a harbor at Guam it would be a fine thing. The minority would endorse it 100 percent; but if we do the usual thing, bring it in as a part of a naval bill—and this work is to be done under the direction and supervision of the Navy Department—then it becomes a very dangerous thing and is likely to take us into war with Japan or somebody else.

Mr. Chairman, in this Hall one morning at 3 o'clock a. m. I listened to a call of the roll that sent us to war. I pray God that such a time may never come again. One of the things that forced me to vote as I did that morning was that the German people under their leadership at that time believed that England, France, Italy, and the others allied with them would never be strong enough to subdue Germany. If America in 1914 and 1915 had been prepared, as we intend to prepare this year and in the years that are to follow, I believe, as one of the great columnists of this country stated a few days ago, that Germany would never have provoked a war at that time.

Mr. Chairman, this involves the expenditure of only a few million dollars. If we had expended a billion dollars or \$2,000,000,000, and if England and France had expended a few billion dollars before 1914, it would not have cost the United States \$26,000,000,000 to get out of that war, because, had we spent that money at that time, we would not have been in it.

As to this appeasement matter, may I say that the United States of America covets not a foot of land that belongs to anybody else on the face of this earth. We want no war with anyone, because they have nothing we want; but when it comes to a proposition of American policy, foreign or domestic, I do not care what you may say about implications, being a citizen of the proudest Nation on the face of the earth, I do not intend by my vote today to imply that I am in favor of asking any other nation in the world about America's foreign or domestic policy. [Applause.]

The CHAIRMAN. All time on the pending amendment has expired.

The question is on the amendment offered by the gentleman from New Jersey [Mr. SUTPHIN].

The question was taken; and on a division (demanded by Mr. VINSON of Georgia), there were—ayes 145, noes 129.

Mr. VINSON of Georgia. Mr. Chairman, I demand tellers. Tellers were ordered, and the Chairman appointed Mr. VINSON of Georgia and Mr. SUTPHIN to act as tellers.

The Committee again divided; and the tellers reported there were—ayes 193, noes 164.

So the amendment was agreed to.

Mr. VINSON of Georgia. Mr. Chairman, I offer an amendment on page 2, line 6, to strike out "\$52,000,000" and insert "\$47,000,000."

The Clerk read as follows:

Amendment offered by Mr. VINSON of Georgia: Page 2, line 6, strike out "\$52,000,000" and insert in lieu thereof "\$47,000,000."

The amendment was agreed to.

Mr. VINSON of Georgia. Mr. Chairman, I offer another amendment, on page 2, line 12, strike out "\$52,000,000" and insert "\$47,000,000."

The Clerk read as follows:

Amendment offered by Mr. VINSON of Georgia: Page 2, line 12, strike out "\$52,000,000" and insert "\$47,000,000."

The amendment was agreed to.

Mr. VINSON of Georgia. Mr. Chairman, I offer the following amendment: On page 2, line 12, after the word "exceed," strike out the following language:

*Provided further*, That nothing herein contained shall be construed as authorizing the expenditure of more than \$5,000,000 at Guam.

The Clerk read as follows:

Amendment offered by Mr. VINSON of Georgia: Page 2, beginning in line 12, after the word "exceed," strike out the remainder of line 12, all of line 13, and the words in line 14 through and including "Guam."

The amendment was agreed to.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. WHITTINGTON, Chairman of the Committee of the Whole House on the state of the Union, reported that that Committee, having had under consideration the bill (H. R. 4278) to authorize the Secretary of the Navy to proceed with the construction of certain public works, and for other purposes, pursuant to House Resolution 98, he reported the same back to the House with sundry amendments agreed to in the Committee on the Whole.

The SPEAKER. Under the rule, the previous question is ordered on the bill and amendments to final passage.

Is a separate vote demanded on any amendment?

Mr. VINSON of Georgia. Mr. Speaker, I demand a separate vote on the Sutphin amendment and on the amendments that I offered.

The SPEAKER. Is a separate vote demanded on any other amendment? If not, the Chair will put them en gros.

The amendments were agreed to.

The SPEAKER. The Clerk will report the first amendment on which a separate vote is demanded.

The Clerk read as follows:

Amendment offered by Mr. SUTPHIN: Page 2, line 5, after "\$2,800,000," strike out "and Guam, \$5,000,000."

The SPEAKER. The question is on agreeing to the amendment.

Mr. VINSON of Georgia. Mr. Speaker, I demand the yeas and nays on the amendment.

The yeas and nays were ordered.

The question was taken; and there were—yeas 205, nays 168, answered "present" 3, not voting 57, as follows:

[Roll No. 19]

YEAS—205

Allen, Ill.	Coffee, Nebr.	Gross	Luce
Allen, La.	Cole, N. Y.	Guyer, Kans.	Ludlow
Allen, Pa.	Collins	Gwynne	McDowell
Andersen, H. Carl	Colmer	Hall	McLean
Anderson, Mo.	Connery	Halleck	McLeod
Andresen, A. H.	Corbett	Hancock	McMillan, John L.
Andrews	Crawford	Hare	McMillan, Thos. S.
Angell	Crosser	Harness	Mapes
Arends	Crowther	Harrington	Marshall
Arnold	Cummings	Harter, N. Y.	Martin, Iowa
Ashbrook	Curtis	Hawks	Martin, Mass.
Austin	Darrow	Healey	Massingale
Ball	Dirksen	Heinke	Michener
Barden	Ditter	Hess	Miller
Barry	Dondero	Hill	Mills, La.
Barton	Douglas	Hinshaw	Monkiewicz
Bates, Mass.	Dowell	Hoffman	Moser
Bender	Dworshak	Holmes	Murdock, Utah
Blackney	Eaton, N. J.	Hope	Murray
Bolles	Elston	Horton	Nelson
Bolton	Engel	Hull	Nichols
Boren	Fenton	Hunter	O'Connor
Bradley, Mich.	Fish	Jenkins, Ohio	Oliver
Brewster	Flaherty	Jensen	O'Neal
Brooks	Ford, Miss.	Johns	Osmer
Brown, Ga.	Fries	Johnson, Ill.	Owen
Brown, Ohio	Fulmer	Johnson, Ind.	Pace
Bryson	Gamble	Johnson, Okla.	Peterson, Ga.
Buckler, Minn.	Garrett	Johnson, W. Va.	Pierce, Oreg.
Burdick	Gartner	Jones, Ohio	Pittenger
Byrns, Tenn.	Gathings	Kean	Plumley
Cannon, Mo.	Gehrmann	Keefe	Polk
Carlson	Gerlach	Kinzer	Powers
Cartwright	Gibbs	Knutson	Reed, Ill.
Case, S. Dak.	Gifford	Kunkel	Reed, N. Y.
Chapierfield	Gilchrist	Lambertson	Rees, Kans.
Church	Gillie	Landis	Rich
Clark	Gore	Larrabee	Richards
Clason	Gossett	LeCompte	Risk
Claypool	Graham	Lemke	Robertson
Clevenger	Grant, Ind.	Lewis, Ohio	Robison, Ky.
Ciuett	Griswold	Lord	Rockefeller

Rodgers, Pa.	Simpson	Terry	White, Ohio
Routzohn	Smith, Ohio	Thill	Wigglesworth
Rutherford	Springer	Tibbott	Williams, Del.
Sandager	Stearns, N. H.	Treadway	Wolcott
Schafer, Wis.	Stefan	Van Zandt	Wood
Schiffler	Sumner, Ill.	Voorhis, Calif.	Woodruff, Mich.
Seccombe	Sutphin	Vorys, Ohio	Youngdahl
Secrest	Taber	Vreeland	
Shannon	Talle	Walter	
Short	Taylor, Tenn.	Wheat	

## NAYS—168

Alexander	Edmiston	Lesinski	Satterfield
Anderson, Calif.	Ellis	Lewis, Colo.	Schaefer, Ill.
Barnes	Englebright	McAndrews	Schulte
Bates, Ky.	Evans	McCormack	Schwert
Beckworth	Faddis	McGehee	Scrugham
Bell	Fay	McGranery	Shanley
Bland	Ferguson	McLaughlin	Sheppard
Bloom	Fitzpatrick	Maas	Sirovich
Boehne	Flannagan	Magnuson	Smith, Conn.
Boland	Ford, Leland M.	Mahon	Smith, Ill.
Bradley, Pa.	Ford, Thomas F.	Marcantonio	Smith, Va.
Buck	Gavagan	Martin, Colo.	Smith, Wash.
Buckley, N. Y.	Gearhart	Martin, Ill.	Smith, W. Va.
Bulwinkle	Geyer, Calif.	May	Snyder
Burch	Grant, Ala.	Merritt	South
Burgin	Green	Mills, Ark.	Sparkman
Caldwell	Gregory	Monroney	Spence
Cannon, Fla.	Griffith	Mott	Starnes, Ala.
Carter	Havener	Myers	Steagall
Celler	Hendricks	Norrell	Sumners, Tex.
Chapman	Hobbs	Norton	Tarver
Cochran	Hook	O'Day	Taylor, Colo.
Coffee, Wash.	Izac	O'Leary	Tenerowicz
Cole, Md.	Jacobsen	O'Toole	Thomas, Tex.
Cooley	Jarman	Patman	Thomason
Cooper	Jeffries	Patrick	Thorkelson
Costello	Johnson, Luther A.	Patton	Tolan
Cox	Johnson, Lyndon	Pearson	Turner
Crowe	Jones, Tex.	Peterson, Fla.	Vincent, Ky.
Cullen	Kee	Pfeiffer	Vinson, Ga.
D'Alessandro	Keller	Poage	Wallgren
Darden	Kennedy, Md.	Ramspeck	Warren
Delaney	Kennedy, Michael	Rankin	Weaver
Dempsey	Keogh	Rayburn	Welch
DeRouen	Kilday	Reece, Tenn.	West
Doxey	Kirwan	Robinson, Utah	Whelchel
Drewry	Kitchens	Rogers, Mass.	White, Idaho
Duncan	Kleberg	Rogers, Okla.	Whittington
Dunn	Kramer	Romjue	Williams, Mo.
Durham	Lanham	Ryan	Wolverton, N. J.
Eaton, Calif.	Lea	Sacks	Woodrum, Va.
Eberharter	Leavy	Sasscer	Zimmerman

## ANSWERED "PRESENT"—3

Byrne, N. Y.	Kennedy, Martin	Smith, Maine
--------------	-----------------	--------------

## NOT VOTING—57

Beam	Fernandez	McKeough	Sabath
Boykin	Flannery	McReynolds	Schuetz
Byron	Folger	Maclejewski	Seger
Casey, Mass.	Goldsborough	Maloney	Shafer, Mich.
Chandler	Hart	Mansfield	Somers, N. Y.
Creal	Harter, Ohio	Mason	Sullivan
Culkin	Hartley	Mitchell	Sweeney
Curley	Hennings	Mouton	Thomas, N. J.
Daly	Houston	Mundt	Tinkham
Dickstein	Jarrett	Murdock, Ariz.	Wadsworth
Dies	Jenks, N. H.	O'Brien	Winter
Dingell	Kelly	Parsons	Wolfenden, Pa.
Disney	Kerr	Pierce, N. Y.	
Doughton	Kocialkowski	Rabaut	
Elliott	McArdle	Randolph	

So the amendment was agreed to.

The Clerk announced the following pairs:

On this vote:

Mr. Wadsworth (for) with Mr. Doughton (against).  
 Mr. Pierce of New York (for) with Mr. Byrne of New York (against).  
 Mr. Culkin (for) with Mr. Martin J. Kennedy (against).  
 Mr. Smith of Maine (for) with Mr. Randolph (against).  
 Mr. O'Brien (for) with Mr. Hartley (against).  
 Mr. Tinkham (for) with Mr. Boykin (against).  
 Mr. Thomas of New Jersey (for) with Mr. Hart (against).  
 Mr. Mundt (for) with Mr. Kocialkowski (against).  
 Mr. Shafer of Michigan (for) with Mr. Fernandez (against).  
 Mr. Elliott (for) with Mr. Byron (against).  
 Mr. Winter (for) with Mr. Kelly (against).  
 Mr. Mason (for) with Mr. Schuetz (against).  
 Mr. Jenks of New Hampshire (for) with Mr. Dickstein (against).  
 Mr. Wolfenden of Pennsylvania (for) with Mr. Maclejewski (against).  
 Mr. Jarrett (for) with Mr. Maloney (against).

General pairs:

Mr. McReynolds with Mr. Seger.  
 Mr. Mansfield with Mr. Mouton.  
 Mr. Sabath with Mr. Folger.  
 Mr. Curley with Mr. Mitchell.  
 Mr. Dies with Mr. Sweeney.  
 Mr. Beam with Mr. Hennings.  
 Mr. Sullivan with Mr. McArdle.  
 Mr. Harter of Ohio with Mr. Dale.

Mr. Kerr with Mr. Murdock of Arizona.  
 Mr. McKeough with Mr. Chandler.  
 Mr. Rabaut with Mr. Somers of New York.  
 Mr. Dingell with Mr. Disney.  
 Mr. Casey of Massachusetts with Mr. Houston.  
 Mr. Creal with Mr. Flannery.  
 Mr. Parsons with Mr. Goldsborough.

Mr. BYRNE of New York. Mr. Speaker, I am paired with my colleague, the gentleman from New York, Mr. PIERCE. If the gentleman were here, he would have voted "yea." I voted "nay." I therefore ask unanimous consent to withdraw my vote and answer "present."

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. MARTIN J. KENNEDY. Mr. Speaker, I make the same request in connection with my colleague, the gentleman from New York, Mr. CULKIN, who had to leave on account of a funeral. If the gentleman had been here, he would have voted "yea." I voted "nay." I therefore ask unanimous consent to withdraw my vote and answer "present."

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. GROSS. Mr. Speaker, how am I recorded?

The SPEAKER. The gentleman is not recorded.

Mr. GROSS. Mr. Speaker, I desire to be recorded as voting "yea."

The SPEAKER. Was the gentleman present and listening, and failed to hear his name?

Mr. GROSS. I had been called into the hall, Mr. Speaker.

The SPEAKER. The gentleman does not qualify if he was not in the Chamber.

Mr. SOMERS of New York. Mr. Speaker, I was in the Chamber, but not listening.

The SPEAKER. The gentleman does not qualify under that statement.

Mr. MURDOCK of Arizona. Mr. Speaker, I cannot qualify, as I came in too late. May I answer "present"?

The SPEAKER. The gentleman cannot vote "present" if he was not present when his name was called during the roll call.

Mr. GROSS. Mr. Speaker, I was present during the first roll call.

Mr. DITTER. Mr. Speaker, I believe my colleague the gentleman from Pennsylvania misunderstood the statement of the Speaker.

The SPEAKER. The Chair will again interrogate the gentleman from Pennsylvania.

Was the gentleman in the Hall of the House, listening, and failed to hear his name called?

Mr. GROSS. Yes, Mr. Speaker, on the first roll call.

The SPEAKER. The gentleman qualifies.

Mr. GROSS. Mr. Speaker, I desire to be recorded as voting "yea."

The SPEAKER. The gentleman qualifies and votes "yea."

Mr. SMITH of Maine. Mr. Speaker, I am paired with the gentleman from West Virginia, Mr. RANDOLPH. Had he been present, he would have voted "nay." I voted "yea." I therefore ask unanimous consent to withdraw my vote and answer "present."

The SPEAKER. Is there objection to the request of the gentleman from Maine?

There was no objection.

Mr. WOODRUM of Virginia. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. WOODRUM of Virginia. Mr. Speaker, I understood the gentleman from Pennsylvania [Mr. Gross] to state on interrogation by the Speaker that he was in the Chamber on the first roll call but was not present on the second roll call. My understanding of the rule is that in order to qualify a Member must answer in the affirmative that he was present in the Chamber and did not hear his name called, and this applies to both roll calls. The roll is called a second time for the specific benefit of Members who failed to hear their names on the first roll call.

Mr. FISH. Mr. Speaker, I make the point of order that this comes too late. The gentleman from Pennsylvania has already voted.

Mr. WOODRUM of Virginia. I am not making an objection to the gentleman's voting. I have no objection to that; but a question of the precedents is involved.

The SPEAKER. The Chair thinks it is important to state the correct principle in view of the point raised by the gentleman from Virginia.

The Chair is of the opinion that the Chair improvidently stated the provisions of the rule. The rule requires that on a yea-and-nay vote a Member who was present but failed to answer on the first calling of the roll is not entitled to be recorded after the completion of the second call if he absented himself from the Chamber during the latter call.

The Chair thinks it probably is too late now to prevent the gentleman from Pennsylvania from voting, but for the purposes of the record the Chair thought it proper to make that correction.

Mr. McCORMACK. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. McCORMACK. In view of the statement by the Chair and the fact that delay would probably prevent action—and I am not addressing myself to the rights of the House—could not the gentleman from Pennsylvania [Mr. Gross], whose vote has not been recorded in accordance with the rules, ask unanimous consent to withdraw his vote?

Mr. MARTIN of Massachusetts. Mr. Speaker, may we have the vote on the amendment announced?

The regular order was demanded.

The SPEAKER. The regular order is demanded. The regular order before the announcement of the vote is to answer the parliamentary inquiry of the gentleman from Massachusetts [Mr. McCORMACK].

The gentleman from Pennsylvania [Mr. Gross] could submit a unanimous-consent request to that effect, but the gentleman has not seen fit to do so.

The result of the vote was announced as above recorded.

Mr. VINSON of Georgia. Mr. Speaker, I ask unanimous consent to withdraw my request for a separate vote on the three other amendments to section 1 and ask that they be considered en bloc.

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

There was no objection.

The amendments were agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER. The question is on the passage of the bill.

Mr. VINSON of Georgia. Mr. Speaker, on the passage of the bill I demand a division.

The House divided; and there were—ayes 368, noes 4.

So the bill was passed, and a motion to reconsider was laid on the table.

Mr. KELLER. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. KELLER. When the bells ring and a Member gets here on the second roll call and does not hear his name called, is he then to be ruled out from voting?

The SPEAKER. The supposition is that all Members are present on the floor at all times, and the rule so provides.

#### EXTENSION OF REMARKS

Mr. NICHOLS. Mr. MICHENER, Mr. ROBSION of Kentucky, and Mr. PEARSON asked and were given permission to revise and extend their remarks in the Record.

Mr. ROBSION of Kentucky. Mr. Speaker, I ask unanimous consent to extend my own remarks in the Record by including the speech of our colleague the gentleman from Pennsylvania [Mr. DITTER] delivered at the Lincoln Protective Club in Louisville on February 11.

The SPEAKER. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

#### REORGANIZATION OF THE EXECUTIVE BRANCH OF THE GOVERNMENT

Mr. COCHRAN. Mr. Speaker, I have introduced a bill providing for a reorganization of the executive branches of the Government, and I ask unanimous consent to extend my own remarks in the Record at this point by printing a brief analysis of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. COCHRAN. Mr. Speaker, the bill contains three titles—the first provides for reorganization of the executive branch of the Government, the second for budgetary control of independent commissions, and the third for the appointment of six administrative assistants to the President.

#### TITLE I—REORGANIZATION

The President is to investigate and determine what changes in the executive branch are necessary to reduce expenditures, increase efficiency, consolidate agencies according to major purposes, reduce the number of agencies by consolidation, abolish agencies and functions not necessary for the efficient conduct of the Government, and eliminate overlapping and duplication (sec. 1).

The President is to prepare a reorganization plan providing for the transfers, consolidations, and abolitions of agencies and functions which he finds necessary to accomplish any one or more of the purposes above specified. He is also in the plan to provide for such incidental matters as fixing titles, transferring property, records, personnel, and appropriations, and winding up abolished agencies. Appropriations transferred may be used only for the purposes for which originally appropriated. The plan is to be submitted to both Houses of Congress while in session. The bill also requests the President to state what reductions in expenditures are likely to result from his recommendations (sec. 4). There is no limit on the number of plans which may be submitted or the number of reorganizations which may be contained in a single plan.

The President's power to include reorganizations in a plan extends to every executive agency of the Government (sec. 2) except the following: Civil Service Commission, Coast Guard, Engineer Corps of the United States Army, Federal Communications Commission, Federal Power Commission, Federal Trade Commission, General Accounting Office, Interstate Commerce Commission, National Bituminous Coal Commission, National Labor Relations Board, Securities and Exchange Commission, United States Board of Tax Appeals, United States Employees' Compensation Commission, United States Maritime Commission, United States Tariff Commission, and Veterans' Administration. In these cases the plan can provide for transfer of agencies and functions to them, but the plan cannot provide for reorganization within them or the transfer of any agency or function away from them. The function of preparing estimates of appropriations by such agencies may, however, be transferred. Further limitations prohibit the abolition or establishing of any executive department or transferring all the functions of or changing the name of an executive department (sec. 3).

The reorganizations which the President specifies in his plan become effective at the end of 60 days after the plan is submitted to Congress. If, however, a concurrent resolution of the two Houses is passed within the 60-day period, which states that Congress does not favor the plan, the reorganizations do not take effect. Such a resolution must relate to a whole plan; it cannot disapprove a particular transfer or abolition or class of reorganizations. If Congress adjourns sine die prior to the expiration of 60 days, a new 60-day period begins to run with the next session.

Section 7 of the bill provides that existing orders, regulations, suits, laws, and so forth, in effect with respect to a transferred agency or function shall be effective with respect to the agency to which it is transferred.

Section 8 provides for impounding of appropriations unexpended by reason of the title.

Under section 9 a 1-year preference in reemployment is given to employees who are dropped as a result of a reorganization.

No reorganization is to take effect unless the plan in which it is specified is transmitted to Congress before January 21, 1941—section 11.

Part 2 of the reorganization title provides a set of rules for the consideration of concurrent resolutions of the two Houses which do not favor reorganizations specified in a plan. These rules make it possible for a majority in favor of such a resolution in either House to secure a vote on the merits without being prevented by filibusters or parliamentary technicalities. These rules may be changed by either House at any time.

Title II requires that Budget estimates of the various independent commissions and boards must be submitted through the Bureau of the Budget and the President as in the case of other agencies.

Title III authorizes the appointment of six administrative assistants to the President.

#### COMMITTEE ON LABOR

Mrs. NORTON. Mr. Speaker, I ask unanimous consent that the Committee on Labor may continue its hearings on tomorrow while the House is in session.

Mr. MARTIN of Massachusetts. Mr. Speaker, reserving the right to object, has the gentlewoman from New Jersey consulted the minority members of the Committee and are they agreeable to the request?

Mrs. NORTON. I have not consulted them, but I think they will be agreeable to it.

Mr. MARTIN of Massachusetts. I think I must object unless the minority members of the committee have been consulted.

Mrs. NORTON. I think the minority members are just as anxious to continue the hearings as we are and I do not believe the gentleman will find there is any objection on their part.

Mr. MARTIN of Massachusetts. The gentlewoman from New Jersey is so persuasive that I shall accept her word for it at this time.

The SPEAKER. Is there objection to the request of the gentlewoman from New Jersey?

There was no objection.

Mr. DIMOND. Mr. Speaker, I ask unanimous consent to extend my own remarks by including therein a speech made by me on July 4 last.

The SPEAKER. Is there objection to the request of the gentleman from Alaska?

There was no objection.

#### WITHDRAWAL OF VOTE

Mr. GROSS. Mr. Speaker, in order that there may be no further embarrassment or any question about the matter I ask unanimous consent to withdraw my vote on the recent roll call.

Mr. McGRANERY. Mr. Speaker, reserving the right to object—

The SPEAKER. The gentleman from Pennsylvania asks unanimous consent that the vote recorded by him on the recent roll call on the bill just passed may be withdrawn. Is there objection?

Mr. McGRANERY. Reserving the right to object, Mr. Speaker—

Mr. SCHAFER of Wisconsin. Regular order, Mr. Speaker.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

Mr. McGRANERY. I object, Mr. Speaker.

#### PERMISSION TO ADDRESS THE HOUSE

Mr. RICH. Mr. Speaker, I ask unanimous consent to proceed for 1 minute.

The SPEAKER. The gentleman from Pennsylvania asks unanimous consent to address the House for 1 minute. Is that agreeable to the gentleman from Wisconsin [Mr. GRISWOLD], who has a special order at this time?

Mr. GRISWOLD. That is agreeable to me, Mr. Speaker.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. RICH. Mr. Speaker, I would like to give due notice that the Treasury is going to ask soon for an increase in

the limit of the national debt from \$45,000,000,000 to \$50,000,000,000 or more. A dreadful situation our Government is finding itself in.

All we have been doing at this session of Congress has been appropriating money. I want to ask you where all this money is coming from. You are going to wreck this Nation if you do not stop appropriating money. You should pass legislation that will put the 12,000,000 unemployed men in this country back to work. The most serious question we have confronting the American people today is getting men back to work. Congress fiddles and Rome burns. All you are thinking about is appropriating money and spending it lavishly, if not squandering it. This is the only thing in the mind of this administration. They are not paying any attention to the legislation that we should adopt. Change the Wagner Act, change the Social Security Act, cut down regular running expenses of government 25 percent, eliminate half of our Government bureaus, and we will restore confidence in the American people, and they will soon find jobs for our workers and happiness will come to all. Try it.

[Here the gavel fell.]

(Mr. MAY asked and was given permission to revise and extend his remarks.)

Mr. COCHRAN. Mr. Speaker, I have been requested by the officials of the National Press Club to announce that Saturday evening has been set aside as Congressional Night. A number of the Members of the House are to appear at the club and all Members of the House are requested by the Press Club to be present at that time.

A superquestion contest will be conducted with the Seventy-sixth Congress represented by Senator ELBERT D. THOMAS, of Utah; Senator WARREN R. AUSTIN, of Vermont; Representative SAM RAYBURN, of Texas, majority leader; and Representative ROBERT LUCE, of Massachusetts.

The fourth estate will enter a team of distinguished caliber.

This contest will be on a Nation-wide N. B. C. network from 9:30 to 10 p. m.

Also a glittering galaxy of freshmen Members of the House and Senate will be presented, under the 5-minute rule, for talks and other features, including Representative HARVE TIBBOTT, of Pennsylvania, a baritone discovery, songs; Representative LINDLEY BECKWORTH, of Texas, who is 25 and the youngest Member of the House; Representative ROBERT J. CORBETT, of Pennsylvania, who is 33, and the youngest House Republican; Representative JOSEPH W. BYRNES, Jr., of Tennessee, son of a famous father, and Representative STEPHEN BOLLES, of Wisconsin, veteran newspaperman and publisher.

Mr. Speaker, I ask unanimous consent to extend my remarks and to place in the RECORD the names of those who will appear on Congressional Night at the Press Club.

Mr. MARTIN of Massachusetts. Mr. Speaker, reserving the right to object, I do so simply to ask the majority leader a question. Will the gentleman from Texas tell us what the program is for tomorrow and Monday?

Mr. RAYBURN. Tomorrow will be general debate upon the Treasury and Post Office appropriation bill. Monday is District day, which will take, I think, about 30 or 40 minutes, and it is the purpose then to go on back to the appropriation bill and complete it, and then bring up the conference report on the disagreement of the two Houses on the deficiency appropriation bill. On Wednesday we may call one committee on the calendar, and after that we will take up the War Department appropriation bill and try to complete it next week.

Mr. MARTIN of Massachusetts. The conference report is liable to come up on Monday next?

Mr. RAYBURN. I do not know.

Mr. MARTIN of Massachusetts. Then either Monday or Tuesday.

Mr. RAYBURN. I told the gentleman from Virginia [Mr. WOODRUM] that in all probability it would come up, but some matters have arisen since then, so that I think it will probably go over until a later time.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

#### LEAVE TO ADDRESS THE HOUSE

Mr. MOSER. Mr. Speaker, I ask unanimous consent that on the completion of the special order today already granted, I may be permitted to address the House for 10 minutes.

The SPEAKER. Is there objection?

There was no objection.

#### EXTENSION OF REMARKS

Mr. LORD. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER. Is there objection?

There was no objection.

Mr. CELLER. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD on the subject of barter agreements.

The SPEAKER. Is there objection?

There was no objection.

Mr. BOEHNE. Mr. Speaker, I ask unanimous consent to extend my remarks by including a radio address delivered by the Honorable John Napier Dyer, of Indiana.

The SPEAKER. Is there objection?

There was no objection.

Mr. WHITE of Ohio. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by including a speech I made incident to the one hundred and twenty-fifth anniversary of the Battle of Lake Erie.

The SPEAKER. Is there objection?

There was no objection.

Mr. SPRINGER. Mr. Speaker, I ask unanimous consent to extend my remarks by inserting in the RECORD a resolution introduced and passed by the House of Representatives of the State of Indiana.

The SPEAKER. Is there objection?

There was no objection.

Mr. HORTON. Mr. Speaker, I ask unanimous consent to extend my remarks by inserting in the RECORD a resolution passed by the Legislature of the State of Wyoming.

The SPEAKER. Is there objection?

There was no objection.

Mr. SMITH of Ohio. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by including a few quotations.

The SPEAKER. Is there objection?

There was no objection.

Mr. HINSHAW. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD.

The SPEAKER. Is there objection?

There was no objection.

#### PERSONAL EXPLANATION

Mr. COSTELLO. Mr. Speaker, my colleague from California [Mr. ELLIOTT] was absent today during the vote on the Guam matter on account of illness. I ask unanimous consent that the gentleman may be granted leave of absence on account of illness.

The SPEAKER. Is there objection?

There was no objection.

The SPEAKER. Under special order, the gentleman from Wisconsin [Mr. GRISWOLD] is recognized for 20 minutes.

#### STIMULATION OF PRIVATE INDUSTRY

Mr. GRISWOLD. Mr. Speaker, a few days ago a very significant statement was issued by the council of the American Federation of Labor meeting at Miami, Fla. The statement said:

Private industry and business generally should be stimulated so that the facilities of production may be increased and millions more working men and women may be employed.

When such a statement is issued by labor it shows very clearly a changed attitude on the part of the public toward capital and industry. The bitterness the public held a few years ago against capital and industry has now receded. We are in a position, with proper legislation, to again put our unemployed back to work. This means that we can now pass legislation and further public opinion

toward the encouragement and promotion of industry and the man who would establish a business and employ labor. The time is ripe for action. It is going to be demanded more and more by the public and expected from its legislators.

The introduction at this time of a bill in Congress designed to encourage and promote industry and the employment of labor in industry would be most opportune. It can be done by repealing or withholding many of the new laws which tax, regulate, and hamper the free exercise of initiative and business ability. The revival of our Nation's industry is now the crying need.

The overwhelming majority of the people of this country would like to see legislation enacted that would start the Nation on a road forward to fresh individual enterprise. This Congress can pass legislation that will give security in permanent private employment and a livelihood for people from honest labor rather than from dole work or the charity box.

We want industry to come back. We wish industry were back to furnish employment, but up to the present time we have not had the courage to introduce or pass legislation designed to bring it back.

Previous to 1929 and the beginning of the long depression we are still in, industry and employment had reached a position we now look back to as "peak prosperity."

In 1929 the attitude of all legislative bodies and the public in general was favorable to industry. Free factory sites were offered, and the cities and the general public took an active interest in every commercial establishment. The savings of a great majority of the public were invested in the stock of local and national concerns. In 1929 this country reached the stage where not only did the public wish to own stock but felt in the ownership of that stock it would eventually become wealthy. Industry grew and prospered and labor had employment. The investors had reached the point where they forgot whether the stock paid dividends or not. They thought only in terms of the stock market. "Paper profits" furnished a credit that allowed them to live beyond their means, and they ceased to labor. When the end came to the "land booms" and "oil booms" we had the "black October" of 1929.

It is not human nature for men to blame themselves for mistakes they may have made, and when the general public was faced with a tremendous loss because of the speculation in which they had indulged they turned against every form of industry in which they had previously overinvested and encouraged. The farmer, the laborer, and the home owner became innocent victims of the general depression. This has always been true in all depressions through which this country has passed, regardless of who may have been responsible.

Immediately there followed a period in which every employer of labor was condemned and industry itself was accused of every conceivable crime. We passed laws investigating, regulating, and crippling every industry. We had unemployment insurance, liability insurance, minimum wages, maximum hours, and other legislation, and we said, "Let industry pay the bill." Socialistic schemes by the National and many State Governments were advanced and became a constant threat of competition to business by the Government itself. This policy crippled every big business. Small business, without the necessary reserves, was killed. New industry could not be born. Is it any wonder that industry could not take care of our raw materials and our labor, for this is possible only when new industry is born and small industry does grow?

The general public under these conditions was indifferent and refused to own stock or aid in the establishment of new business. Millions of men were thrown out of work and Congress was faced with the demand for the appropriation of money to take care of their actual needs.

The fundamental causes of the depression have now run their course. The bitterness toward capital and industry has now receded. We still have millions of unemployed, but our animosity toward the employer of labor has decreased and the pendulum of public opinion has already swung back.

Every depression in the world's history has meant extreme ideas, unsound legislation, and impossible short cuts. Such ideas live and have their being only when sane, sound, and sensible legislation seems to falter. The fallacy that buying power could be created without labor has been allowed to run its course. The borrowing and spending by the Federal Government of huge sums of money to be dribbled through the hands of workmen on "made jobs" to increase buying power has been tried. Extreme pension legislation has been and is still being considered. Before the most powerful committee of this House appeared last week a man who firmly believes that forced spending would lead the people of this Nation into a new land of milk and honey.

The American people are right now in a position where they have tried all the experiments they wish. They want to see policies and practices which from the beginning of time have always been considered fundamental put into practice. I want to review some of these fundamentals, so that they are clearly before the minds of those who have the immediate welfare of this Nation in their hands.

We pride ourselves on being the wealthiest Nation in the world. We believe we have—and the figures prove we have—a higher standard of living and more comforts and conveniences than any other nation. Wealth is the multiple creation of goods mankind desires, and a nation's wealth is determined by the amount and number of useful articles produced. Labor produces all wealth, and only when labor is properly employed in the production of necessary goods can this Nation or any other nation achieve real prosperity. [Applause.]

Idle or unemployed men must be supported by the labor of those who work.

The demand for the products of the farm and factory go hand in hand with the ability of labor and management to produce. The ability to produce and the desire and means to purchase have always gone together. Production and consumption are one and the same thing. Employment means good times. Unemployment means hard times. Depressions occur when men have no work. [Applause.]

There is no accurate figure on the number of unemployed but it is probably around 10,000,000. Up to the present time no legislative effort has been made to put the men back to creating wealth in private employment.

Money is a means of measuring the amount of goods produced or labor employed. Gold has a value because of its commercial use and the amount of labor necessary to produce it. Money of itself cannot feed or clothe, and only as it expresses true value for labor or goods is it of use to us. It only takes the place of scales or the yardstick in commercial transactions. If the yardstick is to be changed or the scales tampered with, they immediately lose their value. The rapid or forced exchange of money does not increase wealth but only tends to destroy or depreciate the value of money and the confidence of people in it. When money ceases to be an accurate measure, it also loses its value.

From much that has been said we have been led to believe that production and consumption were two separate and distinct things. This is not true. The labor that produces has the buying power to buy what it produces. Only when labor is partly employed must the laborer share his returns with the unemployed; likewise, excessive taxation decreases the fruits of labor. The power to produce and the will and desire to consume go hand in hand. Production and consumption, I repeat, are one and the same thing. If we have a surplus of one kind of goods, we must also have a shortage of another kind of goods. Our so-called surpluses are not the result of too much labor but rather the result of the improper division of labor. [Applause.] If we allow industry to be crippled, then the raw products that supply industry accumulate, and we call them surpluses. If a bridge is destroyed on the line, labor is idle on each end until the damage is repaired.

All this country has now that was not here when the white man came represents the profit of this generation, or the generations that have gone before it. All our progress represents profit. If government, by taxation and borrowing, takes a sum equal to the profit of a community, that com-

munity must stand still or mark time until profits rise or the tax load is decreased. A city cannot grow except through profit of the people and industries in it.

Government was created by the people for their protection. Sometimes it goes wild and reaches out and strangles those who support it, and lean on it for protection. It may bind enterprise and industry with regulation, taxation, and restrictions on capital and freedom to operate until the hands of free enterprise are tied. When free enterprise struggles to rise, the government may add fresh fetters and ever-increasing demands for more revenues.

The taking of money by taxation or borrowing from one class and giving it to another class does not increase buying power. It may transfer buying power, but cannot increase it. Buying power can be made only by production. The more we produce, the more we can buy.

Legislation to benefit one class at the expense of the general public does not add to the total wealth, or if extended to many classes, does it benefit the class itself. National wealth means general employment of all classes.

At times during the depression our so-called labor-saving machinery has been the subject of much debate. Such machinery does not save labor, but rather multiplies it. From the garden hoe to the steam shovel each is made to multiply labor. The only reason we enjoy privileges, luxuries, and many of the things we now call necessities, is not because we work harder than our forefathers did, but because we have been able to use machines that multiply the labor we do.

Natural resources, like labor-multiplying machines, multiply labor. Our oil, coal, and waterfalls create power that is used only to multiply labor. The fertile soil multiplies the farmer's labor into larger crops. This Nation has wonderful natural resources, and the resources of the country, when combined with the labor-multiplying machinery that we have, and the labor of the people, will again, as it has in the past, make the American home and standard of living the highest in the world. [Applause.]

Industry combines our natural resources, our labor-multiplying machinery, and our labor. Industry may be large or small. In 1929 there were over 210,000 factories, of which over 7,000 were family operated. The farmer combines the natural resources of soil and labor-multiplying machinery with his own labor and must also be classed with industry. Industry is this Nation's greatest asset. It has made this Nation the great nation it is. It deserves and should have from our Government every consideration and care toward its fostering and promotion.

We have traveled 10 years in a depression and listened to and tried a lot of wild schemes that our sober common sense told us would not work. While on every hand, industry, one of the greatest gifts this Nation has, was allowed to stagnate and rot for the want of encouragement and fair treatment. There can and will be a return to prosperity only when we put industry and labor back to work.

What must we do?

First we must restore confidence in the Government itself and confidence in the Government's attitude toward the capital invested and to be invested in industry. An honest and sincere effort must be made to balance the Budget by refusing every appropriation not necessary to carry on the orderly functions of government. New works and new projects, publicly financed, must not be considered until the Budget is balanced. Eventually the Budget must be brought to balance, and we all realize it. Why not make a desperate effort and start doing it now?

The great majority of the people of this Nation are opposed to the excessive expenditures of this and preceding Congresses. Must we shut our eyes and blindly spend until the people rise up and send down a new Congress pledged to balance the Budget? I appeal to my colleagues in this House to vote to put the Nation's Budget in order.

Taxation must be lowered and the burden so lightened that the employer of labor is encouraged. A light tax over a greatly expanded industry will yield the same revenue as a high tax on a small and crippled industry.

Profit of all kinds, and particularly the profits of industry, must flow into new and enlarged plants. Give industry a chance, repeal the excess-profits tax.

Capital must constantly flow into industry. All the industry we now have was built by capital. Turn the flow of capital into industry by creating a friendly attitude toward it on the part of the Government.

We must exempt new industry and new employment in old industry from the Wages and Hours Act for 3 years. The unemployed get no benefit from the act now. Let us give them a job first.

We must withhold the National Labor Relations Act from new business for the same period. Labor cannot bargain collectively until it has employment. Let us provide that employment.

We must relieve industry of the burden of social-security taxation for a period of time. Let us take the load off the animal's back until we get it on its feet.

Mr. Speaker, I am offering the same program that was followed, perhaps unconsciously, in making this Nation the great Nation that it is. I am offering a program that will restore the farmers' market and prices, bring business to the small businessman, and provide employment for labor in industry. I am asking for its immediate and sincere consideration by the Members of this House. [Applause.]

#### PERSONAL EXPLANATION

Mr. FLANNERY. Mr. Speaker, I ask unanimous consent to proceed for 1 minute.

The SPEAKER pro tempore (Mr. SHEPPARD). Is there objection?

There was no objection.

Mr. FLANNERY. Mr. Speaker, I want the RECORD to show that I was here during the debate on the Guam proposition and voted with the tellers, but was paged by a constituent and went out into the hall at the time the vote was taken, and I missed the vote on the roll call on the Guam amendment. Had I been present, I would have voted "no."

#### LEAVE TO ADDRESS THE HOUSE

Mr. HOFFMAN. Mr. Speaker, I ask unanimous consent that after the disposition of the special orders and the legislative business of the day I may be permitted to address the House tomorrow for 20 minutes.

The SPEAKER pro tempore. Is there objection?

There was no objection.

The SPEAKER pro tempore. Under special order heretofore made the gentleman from Pennsylvania [Mr. MOSER] is recognized for 10 minutes.

#### THE CIVIL SERVICE

Mr. MOSER. Mr. Speaker, I crave the indulgence of the House on this first occasion of my arising under a special order. I believe it is well known to the membership of the House that I spent a long time in the classified civil service of the United States and that I attained my eligibility in an open competitive system of examination for the purpose of determining merit, and desire to preserve for the youth of our country the same opportunity that was mine under a statute written on the books and signed by President Cleveland, before I was born. I ask unanimous consent that I may include in my remarks that statute of the United States Code.

The SPEAKER pro tempore. Is there objection?

There was no objection.

Mr. MOSER. Grover Cleveland, staunch advocate of a merit system for determining eligibility for Federal employment, and whose administration enacted the civil-service law set forth in the United States Code, title 5, 633, provides as follows:

1. Competitive examinations. First. For open competitive examinations for testing the fitness of applicants for the public service classified on January 16, 1883, or thereafter, or to be classified hereunder. Such examinations shall be practical in their character, and so far as may be shall relate to those matters which will fairly test the relative fitness of the persons examined to discharge the duties of the service into which they seek to be appointed.

2. Selection of officers, etc., according to results of examinations. Second. All the offices, places, and employments so arranged or to

be arranged in classes shall be filled by selections according to grade from among those graded highest as the results of such competitive examinations.

The situation that confronts us now, and to which I have heretofore voiced my opposition in the Committee of the Whole, relative to the determination of merit on the part of a system of examinations that have sprung up into existence under the Civil Service Commission, is one administered solely for the purpose of circumventing that law to determine merit, which is written on the statute books to which I have referred. My attention was directed to an article which appeared in the Washington Herald-Times on Monday last, entitled "Control of Public Service Again Shifts More Tightly Into Hold of Minority Politico-Professor Group," by George D. Riley. I ask unanimous consent to insert that article in the RECORD at this point as a part of my address.

The SPEAKER pro tempore. Is there objection?

There was no objection.

#### CONTROL OF PUBLIC SERVICE AGAIN SHIFTS MORE TIGHTLY INTO HOLD OF MINORITY POLITICO-PROFESSOR GROUP

Evidence that into the hands of a select group of Republicans is being delivered the world's biggest business—the United States civilian service—and all its ramifications into the city, county, and State branches has just been supplied more definitely than ever by the President.

Avoiding senatorial confirmation for his nominee, the President has chosen Frederick Morgan Davenport, who got out with the Hoover administration, now to be the kingpin in the new personnel set-up. Republican Congressman-Professor Davenport is blanketed into the classified service without examination and thus becomes member and chairman of the council of personnel administration. This group will control the official actions of all personnel directors.

Davenport likewise is president of the Rockefeller National Institute of Public Affairs, which group has been working into preferential jobs hand-selected "apprentices," which almost immediately step into important jobs in large measure merely on the say-so of what Professor Davenport and the Rockefeller fraternity have said about them. Louie Brownlow, who cooked the reorganization dish so decisively crashed by the Congress last session as holding the ingredients of further one-man control, also is a member of this Rockefeller outfit. Republican Secretary of State (under Hoover) Henry L. Stimson is another trustee, as well as Mr. Hoover's Commissioner of Education, George F. Zook, in addition to others.

In addition, Brownlow has returned the courtesy Davenport has shown him by naming Davenport as trustee in his public administration clearing house get-up. Appointment of Davenport bears the appearance of another Brownlow brown study.

In 1936, among other years, \$80,000 of Rockefeller money was appropriated for Davenport's N. I. P. A. In the same year, and in other years, Brownlow's outfits likewise were getting Rockefeller money. Rockefeller money also is being used to investigate Department of Agriculture.

Professor Davenport once represented the Thirty-third District (New York). He was classed as an ardent dry (1930), and became a target for the antiprohibitionists, at which time Arthur M. Hyde, Hoover Secretary of Agriculture, made an address in Davenport's defense, at the same time defending the Hoover policies.

All Davenport has to do to become a full-fledged civil-service employee and dominating figure to control, as chairman, the powerful Council of Personnel Administration, is to indicate "his acceptance of the appointment herein authorized" and he's still got the job.

Some observers believe the Republicans are looking ahead to the time when the New Deal is washed up and when control of the public service is returned to them. However, this is not necessarily a tenable view, for it is the Republicans who now no longer hold office into whose hands such power is being reposed.

Only recently the President chose another Republican, Prof. Leonard D. White, to decide what professional standards we shall have. He also appointed William H. McReynolds, regarded as a close friend of former Republican Senator Reed Smoot. Upon these two shoulders will rest in the final analysis who is who and what is what. And, like Professor Davenport, Professor White also is a professor of political science. Professor Davenport is in his seventy-third year. We find nothing in his background to betray actual experience in operating so powerful a combination.

Before the battle over the reorganization bill, Brownlow et al. proposed that a board of seven be chosen to monitor the proposed one-man administrator. However, when the bill was prepared, such proposal was strangely missing. Now it would seem that we still will have a board of seven of another type, and in addition another board (the council) to tell Civil Service Commission what it shall do—or, rather, to do what it desires to do—and the Commission will learn of the council's policies and action whenever the public learns of them.

Thus, it seems to us, comes another step in the partitioning of the public service under the sway of important money and of the professorial domination.

Mr. MOSER. Mr. Speaker, I yield back the remainder of my time.

The SPEAKER pro tempore. The time of the gentleman from Pennsylvania has expired.

#### LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to Mr. SABATH, indefinitely, on account of death in his family.

#### SENATE ENROLLED BILL SIGNED

The SPEAKER announced his signature to an enrolled bill of the Senate of the following title:

S. 1102. An act to continue the functions of the Reconstruction Finance Corporation, and for other purposes.

#### ADJOURNMENT

Mr. RAYBURN. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 3 o'clock and 24 minutes p. m.) the House adjourned until tomorrow, Friday, February 24, 1939, at 12 o'clock noon.

### COMMITTEE HEARINGS

#### COMMITTEE ON WAYS AND MEANS

Public hearings will continue Friday morning, February 24, 1939, at 10 a. m., on social-security legislation, in the Ways and Means Committee room in the New House Office Building.

#### COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE

There will be a meeting of the Committee on Interstate and Foreign Commerce at 10 a. m. Friday, February 24, 1939. Business to be considered: Continuation of hearing on H. R. 2531—transportation bill.

#### COMMITTEE ON WORLD WAR VETERANS' LEGISLATION

There will be a meeting of the Committee on World War Veterans' Legislation at 10 a. m. Friday, February 24, 1939.

#### COMMITTEE ON LABOR

The Committee on Labor will hold a hearing in room 429, House Office Building, at 10:30 a. m. Friday, February 24, 1939, on H. R. 2990, a bill to amend the act entitled "An act to establish a Civilian Conservation Corps, and for other purposes," approved June 28, 1937, as amended.

#### COMMITTEE ON THE POST OFFICE AND POST ROADS

There will be a meeting of the Committee on the Post Office and Post Roads in the committee hearing room in the House Office Building, Friday, February 24, 1939, at 10 a. m., for the public consideration of H. R. 3231 and H. R. 3811.

#### COMMITTEE ON RIVERS AND HARBORS

The Committee on Rivers and Harbors will meet Tuesday, February 28, 1939, at 10:30 a. m., to begin hearings on H. R. 3222 and H. R. 3223, bills for the completion of the construction of the Atlantic-Gulf Ship Canal across Florida.

The Committee on Rivers and Harbors will meet Friday, March 3, 1939, at 10:30 a. m., to hold hearings on H. R. 295, H. R. 922, H. R. 2890, H. R. 4170, and H. R. 4314, all bills for the control of water pollution.

#### COMMITTEE ON IMMIGRATION AND NATURALIZATION

There will be a meeting of the Committee on Immigration and Naturalization at 10:30 a. m. Wednesday, March 1, 1939, on bills H. R. 159, H. R. 160, and H. R. 4167, certain private bills.

#### COMMITTEE ON THE JUDICIARY

There will be a hearing before the Special Subcommittee on Bankruptcy and Reorganization of the Committee on the Judiciary at 10 a. m. Wednesday, March 1, 1939, on the bill (H. R. 3704) to amend an act entitled "An act to establish a uniform system of bankruptcy throughout the United States," approved July 1, 1898, and acts amendatory thereof and supplementary thereto; room 346, House Office Building.

#### COMMITTEE ON MERCHANT MARINE AND FISHERIES

The Committee on Merchant Marine and Fisheries will hold public hearings in room 219, House Office Building, Washington, D. C., at 10 a. m. Tuesday, March 7, 1939, on the bill (H. R. 4307) to extend the provisions of the Shipping Act,

1916, and the Intercoastal Shipping Act, 1933, to all common carriers by water in interstate commerce, and for other purposes.

The Committee on Merchant Marine and Fisheries will hold public hearings in room 219, House Office Building, Washington, D. C., at 10 a. m. on the bills and dates listed below:

Tuesday, March 14, 1939:

H. R. 180, H. R. 202, construction of a Nicaraguan Canal; H. R. 201, additional facilities for Panama Canal; H. R. 2667, construction of a Mexican Canal.

In listing the bills to be heard on March 14, 1939, House Joint Resolution 112 (TINKHAM), to create a commission to study and report on the feasibility of constructing the Mexican Canal, was inadvertently omitted from the notice.

This is to advise all interested parties that House Joint Resolution 112 will be considered at that time with the following bills: H. R. 180 (IZAC), relative to the construction of a Nicaraguan Canal; H. R. 202 (BLAND), relative to the construction of a Nicaraguan Canal; H. R. 201 (BLAND), need for additional lock facilities at Panama; H. R. 2667 (TINKHAM), relative to the construction of a Mexican Canal.

Tuesday, March 21, 1939:

H. R. 137, H. R. 980, H. R. 1674, relating to annuities for Panama Canal bills.

Thursday, March 23, 1939:

H. R. 139, H. R. 141, H. R. 142, H. R. 1819, miscellaneous Panama Canal construction force.

### REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. KENNEDY of Maryland: Committee on Claims. S. 218. An act for the relief of Manuel D. A. Otero, as administrator of the estate of Teresita S. Otero, deceased; with amendment (Rept. No. 83). Referred to the Committee of the Whole House.

Mr. KENNEDY of Maryland: Committee on Claims. S. 219. An act for the relief of Emma Gomez; with amendment (Rept. No. 84). Referred to the Committee of the Whole House.

Mr. KENNEDY of Maryland: Committee on Claims. S. 470. An act for the relief of Alice Minnick; with amendment (Rept. No. 85). Referred to the Committee of the Whole House.

Mr. KENNEDY of Maryland: Committee on Claims. S. 760. An act for the relief of Mrs. Guy A. McConoha; with amendment (Rept. No. 86). Referred to the Committee of the Whole House.

Mr. KENNEDY of Maryland: Committee on Claims. S. 1157. An act for the relief of the legal guardian of Roy D. Cook, a minor; with amendment (Rept. No. 87). Referred to the Committee of the Whole House.

Mr. KENNEDY of Maryland: Committee on Claims. H. R. 1750. A bill to carry out the findings of the Court of Claims in the case of the Union Iron Works; with amendment (Rept. No. 88). Referred to the Committee of the Whole House.

Mr. KENNEDY of Maryland: Committee on Claims. H. R. 2055. A bill for the relief of the K. E. Parker Co.; with amendment (Rept. No. 89). Referred to the Committee of the Whole House.

Mr. KENNEDY of Maryland: Committee on Claims. H. R. 2259. A bill for the relief of Stanley Mercuri; with amendment (Rept. No. 90). Referred to the Committee of the Whole House.

Mr. KENNEDY of Maryland: Committee on Claims. H. R. 2586. A bill for the relief of Albert W. Wright; with amendment (Rept. No. 93). Referred to the Committee of the Whole House.

Mr. KENNEDY of Maryland: Committee on Claims. H. R. 2842. A bill for the relief of J. P. Harris; with amendment (Rept. No. 94). Referred to the Committee of the Whole House.

Mr. KENNEDY of Maryland: Committee on Claims. H. R. 2355. A bill to provide for the carrying out of the award of

the National War Labor Board of April 11, 1919, and the decision of the Secretary of War of date November 30, 1920, in favor of certain employees of the Minneapolis Steel & Machinery Co., Minneapolis, Minn.; of the St. Paul Foundry Co., St. Paul, Minn.; of the American Hoist & Derrick Co., St. Paul, Minn.; and of the Twin City Forge & Foundry Co., Stillwater, Minn.; without amendment (Rept. No. 91). Referred to the Committee of the Whole House.

Mr. KENNEDY of Maryland: Committee on Claims. H. R. 2461. A bill for the relief of Alfred T. Johnston; with amendment (Rept. No. 92). Referred to the Committee of the Whole House.

Mr. KENNEDY of Maryland: Committee on Claims. H. R. 2848. A bill for the relief of Anna Mattil and others; with amendment (Rept. No. 95). Referred to the Committee of the Whole House.

Mr. KENNEDY of Maryland: Committee on Claims. H. R. 3090. A bill for the relief of C. R. Henderson; with amendment (Rept. No. 96). Referred to the Committee of the Whole House.

Mr. KENNEDY of Maryland: Committee on Claims. H. R. 3100. A bill for the relief of Capt. Francis H. A. McKeon; with amendment (Rept. No. 97). Referred to the Committee of the Whole House.

#### PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BARRY:

H. R. 4420. A bill to create a United States Civil Service Board of Appeals; to the Committee on the Civil Service.

By Mr. BLOOM:

H. R. 4421. A bill to establish a chiropody (podiatry) corps in the medical department of the Navy; to the Committee on Naval Affairs.

H. R. 4422. A bill to establish a chiropody (podiatry) corps in the medical department of the Army; to the Committee on Military Affairs.

By Mr. BROOKS:

H. R. 4423. A bill providing credit for the mobilization service of National Guard property and disbursing officers of the United States; to the Committee on Military Affairs.

By Mr. CASEY of Massachusetts:

H. R. 4424. A bill to amend the Liquor Tax Administration Act, approved June 26, 1936; to the Committee on Ways and Means.

By Mr. COCHRAN:

H. R. 4425. A bill to provide for reorganizing agencies of the Government, and for other purposes; to the Select Committee on Government Organization.

By Mr. COFFEE of Washington:

H. R. 4426. A bill affecting substitute workers in the Postal Service; to the Committee on the Post Office and Post Roads.

By Mr. GREEN:

H. R. 4427. A bill to provide for the construction of a marine hospital in Florida; to the Committee on Merchant Marine and Fisheries.

By Mr. HALL:

H. R. 4428. A bill providing for the examination and survey of Centerport Harbor, Long Island, N. Y.; to the Committee on Rivers and Harbors.

By Mr. HARE:

H. R. 4429. A bill to place cotton in reserve as a munition of war; to the Committee on Agriculture.

By Mr. HARTER of New York:

H. R. 4430. A bill to permit conciliation commissioners to act as referees in bankruptcy; to the Committee on the Judiciary.

By Mr. HINSHAW:

H. R. 4431. A bill to enable the Secretary of War to pay the amount awarded to the Malambo fire claimants by the joint commission, under article 6 of the treaty of November 18, 1903, between the United States and Panama; to the Committee on Appropriations.

By Mr. KIRWAN:

H. R. 4432. A bill granting the consent of Congress to the city of Warren, Ohio, to construct, maintain, and operate a free footbridge over Mahoning River, near Stiles Street NW., Warren, Ohio; to the Committee on Interstate and Foreign Commerce.

By Mr. LANHAM:

H. R. 4433. A bill to amend sections 12, 13, and 29 of the Copyright Act of March 4, 1909, and further to secure the prompt deposit of copyrightable material into the Library of Congress and prompt registration of claims of copyright in the Copyright Office, and for other purposes; to the Committee on Patents.

By Mr. ROBERTSON:

H. R. 4434. A bill to provide for the abatement of personal taxes from insolvent building associations in the District of Columbia; to the Committee on the District of Columbia.

By Mr. TURNER:

H. R. 4435. A bill to correct injustices resulting from faulty application of the Navy selection law of June 23, 1938; to the Committee on Naval Affairs.

By Mr. O'CONNOR:

H. J. Res. 181. Joint resolution relative to the establishment of title of the United States to certain submerged lands containing petroleum deposits; to the Committee on the Judiciary.

By Mr. HEALEY:

H. J. Res. 182. Joint resolution authorizing the President of the United States of America to proclaim October 11, 1939, General Pulaski's Memorial Day, for the observance and commemoration of the death of Brig. Gen. Casimir Pulaski; to the Committee on the Judiciary.

#### PRIVATE BILLS AND RESOLUTIONS

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

By Mr. BARRY:

H. R. 4436. A bill for the relief of Gladys Faughnan Holden, guardian; to the Committee on Claims.

By Mr. BROWN of Ohio:

H. R. 4437. A bill granting an increase of pension to Laura V. Reed; to the Committee on Invalid Pensions.

By Mr. BYRNE of New York:

H. R. 4438. A bill for the relief of Charles Harvey Holt; to the Committee on Naval Affairs.

By Mr. COFFEE of Washington:

H. R. 4439. A bill granting a pension to Zetta F. Tidwell; to the Committee on Pensions.

By Mr. CROSSER:

H. R. 4440. A bill for the relief of Mr. and Mrs. John Shebestok, parents of Constance and Lois Shebestok; to the Committee on Claims.

By Mr. DARDEN:

H. R. 4441. A bill for the relief of Eleanor Goldfarb; to the Committee on Claims.

H. R. 4442. A bill for the relief of Lillian Goldfarb; to the Committee on Claims.

H. R. 4443. A bill for the relief of Alex Silberstein; to the Committee on Claims.

H. R. 4444. A bill for the relief of Magdalene Silberstein; to the Committee on Claims.

H. R. 4445. A bill for the relief of Alice Silberstein; to the Committee on Claims.

H. R. 4446. A bill for the relief of Florence Karp; to the Committee on Claims.

H. R. 4447. A bill for the relief of Jackie Goldfarb; to the Committee on Claims.

By Mr. FLAHERTY:

H. R. 4448. A bill for the relief of Sarkis Azarian; to the Committee on Military Affairs.

By Mr. HALL:

H. R. 4449. A bill for the relief of John Kutil; to the Committee on Military Affairs.

By Mr. HEALEY:

H. R. 4450. A bill for the relief of Conrad Sigfried Larsen; to the Committee on Naval Affairs.

H. R. 4451. A bill for the relief of Walter M. McCusker; to the Committee on Naval Affairs.

H. R. 4452. A bill for the relief of Velma Gregory; to the Committee on Claims.

H. R. 4453. A bill for the relief of Ethel McKenney, Leo McKenney, and John Tamulynas; to the Committee on Claims.

H. R. 4454. A bill for the relief of Gloria Hayes; to the Committee on Claims.

H. R. 4455. A bill for the relief of George J. Wood; to the Committee on Naval Affairs.

H. R. 4456. A bill for the relief of William O'Connell; to the Committee on Claims.

H. R. 4457. A bill for the relief of Domenico Conté; to the Committee on Claims.

H. R. 4458. A bill for the relief of James H. Martell; to the Committee on Military Affairs.

H. R. 4459. A bill for the relief of John Lewis; to the Committee on Military Affairs.

H. R. 4460. A bill for the relief of Fred D. Dickerson; to the Committee on Naval Affairs.

H. R. 4461. A bill for the relief of John A. Lane; to the Committee on Military Affairs.

H. R. 4462. A bill for the relief of James Richard Garrigan; to the Committee on Naval Affairs.

H. R. 4463. A bill for the relief of Frank P. Barbour; to the Committee on Merchant Marine and Fisheries.

H. R. 4464. A bill for the relief of Charles James Russell; to the Committee on Naval Affairs.

H. R. 4465. A bill for the relief of Joseph H. Burr; to the Committee on Naval Affairs.

H. R. 4466. A bill for the relief of John McAnneny; to the Committee on Naval Affairs.

H. R. 4467. A bill for the relief of Thomas Henry Beech; to the Committee on Naval Affairs.

H. R. 4468. A bill for the relief of William H. Rouncevill; to the Committee on Military Affairs.

H. R. 4469. A bill for the relief of Philip J. Leary; to the Committee on Naval Affairs.

H. R. 4470. A bill for the relief of Eugene Michael Doran; to the Committee on Naval Affairs.

H. R. 4471. A bill for the relief of John Francis Prendergast; to the Committee on Naval Affairs.

H. R. 4472. A bill for the relief of Herbert V. McGregor; to the Committee on Naval Affairs.

H. R. 4473. A bill for the relief of James Francis McManus; to the Committee on Naval Affairs.

H. R. 4474. A bill for the relief of Patrick F. Casey; to the Committee on Naval Affairs.

H. R. 4475. A bill for the relief of Irving Kilburn Bills; to the Committee on Naval Affairs.

H. R. 4476. A bill for the relief of Charles Christopher Peterson; to the Committee on Naval Affairs.

H. R. 4477. A bill for the relief of William Francis McLean; to the Committee on Naval Affairs.

H. R. 4478. A bill for the relief of Joseph D. Murray; to the Committee on Naval Affairs.

H. R. 4479. A bill for the relief of John F. Fahey, United States Marine Corps, retired; to the Committee on Naval Affairs.

H. R. 4480. A bill for the relief of Eugene Aubry; to the Committee on Naval Affairs.

H. R. 4481. A bill for the relief of Charles Joseph Tevlin; to the Committee on Naval Affairs.

H. R. 4482. A bill for the relief of Byron MacDonald; to the Committee on Claims.

H. R. 4483. A bill for the relief of Bernard Donahue; to the Committee on Naval Affairs.

By Mr. KNUTSON:

H. R. 4484. A bill granting an increase of pension to Hannah J. Goundry; to the Committee on Invalid Pensions.

By Mr. McKEOUGH:

H. R. 4485. A bill for the relief of Mildred Lane; to the Committee on Claims.

H. R. 4486. A bill granting a pension to Mary Bates; to the Committee on Invalid Pensions.

By Mr. PATRICK:

H. R. 4487. A bill granting a pension to Clifflie Frederick; to the Committee on Invalid Pensions.

H. R. 4488. A bill for the relief of Konstantinos Dionysiou Antiohos (or Gus Pappas); to the Committee on Immigration and Naturalization.

By Mr. ROBINSON of Utah:

H. R. 4489. A bill for the relief of Erma B. Bull; to the Committee on Claims.

By Mr. TAYLOR of Tennessee:

H. R. 4490. A bill for the relief of Arthur D. Sullivan; to the Committee on Claims.

By Mr. WELCH:

H. R. 4491. A bill for the relief of Joseph John Mullin; to the Committee on Naval Affairs.

#### PETITIONS, ETC.

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

1311. By Mr. BURDICK: House Resolution J of the Twenty-sixth Legislative Assembly, State of North Dakota, February 21, 1939; to the Committee on Agriculture.

1312. Also, Senate Concurrent Resolution No. 106 of the Twenty-sixth Legislative Assembly, State of North Dakota, February 21, 1939; to the Committee on Agriculture.

1313. By Mr. CURLEY: Letter of the Conference of Mayors and Other Municipal Officials of the State of New York, disapproving Senate bill 1265, to establish a Department of Public Works; to the Committee on Appropriations.

1314. By Mr. HALLECK: Petition of the Woman's Christian Temperance Union of Logansport, Ind., favoring legislation for the control of the motion-picture industry and urging hearings thereon; to the Committee on Interstate and Foreign Commerce.

1315. By Mr. LUTHER A. JOHNSON: Petition of M. W. Davenport, Midlothian, Tex., favoring House bill 2316, extending classified civil service to clerks or assistants in certain post offices of the third class; to the Committee on the Civil Service.

1316. By Mr. MARTIN J. KENNEDY: Petition of the New York State Conference of Mayors and Other Municipal Officials, disapproving Senate bill 1265, to establish a Department of Public Works; to the Committee on Appropriations.

1317. Also, petition of 250 residents of Greater New York to the President and the Congress of the United States, urging (1) the rejection of any program of "investing in prosperity" through the Government continuing to spend enormous sums, which it has not and cannot raise by taxation and which since 1932 will by June 30, 1939, have added some \$20,000,000,000 to the national debt, while some 20,000,000 of our people are living, in whole or in part, on Government pay or relief and many more millions are sharing indirectly in Federal subsidies of one kind or another—in the 9 fiscal years ending June 30, 1939, the national debt will have risen by about \$25,000,000,000 from approximately \$16,000,000,000 in 1930, the post-war low; (2) for the rejection of any program of armament beyond those additions to our military strength that may be necessary to protect our own vital interests and the political independence and territorial integrity of the nations of the Western Hemisphere—the Monroe Doctrine; and (3) for the rejection of any proposal to play the role of world policeman; to the Committee on Ways and Means.

1318. By Mr. KEOGH: Petition of the Pulaski Citizens' Club, of Brooklyn, N. Y., concerning Senate bill 281; to the Committee on the Civil Service.

1319. Also, petition of the art department, public schools of Worcester, Mass., concerning the Larrabee bill (H. R. 3517); to the Committee on Education.

1320. Also, petition of the public library of Evansville, Ind., concerning the Larrabee bill (H. R. 3517); to the Committee on Education.

1321. By Mr. LEAVY: Petition of the Senate of the State of Washington, introduced by Senator Roberts and adopted February 16, 1939, directing the attention of Congress to the vulnerability of the State and the north Pacific coast to attack and, in fitting recognition of the observance of National Defense Week, urging the Federal Government to so increase defenses in this region as to render impossible the invasion and occupation of any portion of this strategic area by a foreign power; to the Committee on Military Affairs.

1322. By Mr. MUNDT: Petition of the South Dakota Senate, known as Concurrent Resolution No. 10, petitioning Congress to enact legislation correcting certain objectionable features of the present method of surplus food commodity distribution and which will permit distribution of said commodities to persons found eligible and in need through the regular commercial channels of trade by the issuance of purchase orders upon merchants and business establishments now operating in South Dakota; to the Committee on Ways and Means.

1323. Also, petition of the South Dakota Senate, known as Concurrent Resolution No. 9, petitioning the Postmaster General at Washington, D. C., to bring about the issuance of a stamp commemorating the fiftieth anniversary of statehood in South Dakota; to the Committee on the Post Office and Post Roads.

1324. By Mr. MURDOCK of Utah: Joint memorial of the Legislature of the State of Utah on the proposed supplement to Cuban trade agreement; to the Committee on Ways and Means.

1325. By Mr. PLUMLEY: Petition of eight citizens of Poulney, Vt., and vicinity, favoring enactment of the improved General Welfare Act (H. R. 11); to the Committee on Ways and Means.

1326. By Mr. ROUTZOHN: Petition of 2,000 members of the Farmers Freedom League of America, seeking repeal of the Compulsory Crop Control Act of 1938 and the banning of importation of farm products to the United States; to the Committee on Agriculture.

1327. By Mr. SCHAEFER of Illinois: Petition of Local No. 74, National Federation of Post Office Clerks, East St. Louis, Ill., M. M. Bosworth, secretary, urging favorable action of Congress on House bills 3937, 4093, and 3812, which authorize improvement in working conditions for postal employees; to the Committee on the Post Office and Post Roads.

1328. By Mr. SCHIFFLER: Petition of Latimer L. Bradley, chairman, committee of the First Baptist Church, Grafton, W. Va., urging that ministers be excluded from the provisions of the proposed amendment to the Social Security Act; to the Committee on Ways and Means.

1329. By Mr. SECCOMBE: Resolution submitted by Blanche Milligan, president, and Minnie Milligan, secretary, in behalf of Townsend Club, No. 1, Gnadenhutten, Ohio, with a membership of 200, memorializing the Congress to adopt the Townsend national recovery plan bill (H. R. 2); to the Committee on Ways and Means.

1330. By Mr. TENEROWICZ: Resolutions of the Detroit Division, No. 222, of the Order of Benefit Association of Railway Employees, endorsing the railway legislative program submitted by the President's committee; to the Committee on Interstate and Foreign Commerce.

## HOUSE OF REPRESENTATIVES

FRIDAY, FEBRUARY 24, 1939

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

We praise Thee, Almighty God, for the Son of Man, who revealed the Father's heart to the children of men. When we ponder His words, touch His raiment, and catch His whisper, the more complete and useful are our lives. We

thank Thee that the fountain of life is very near all believers. He will fill us with vitality and cleanse us from all sin. Blessed Lord, persuade us to seek Him. Though the path at times may be rough and steep, checkered with toil and care, Thou wilt quicken the spirit with soft and silent refreshment; Thou wilt bless and inspire with conscious power. O Father, wonderfully fix the limits of human frailty. May we pass today in sound reasonableness, assured peace, and in the quietness of hope, which is our strength and bulwark. May the Great Teacher be present, who is the power of God and the wisdom of God. In His holy and eternal name. Amen.

The Journal of the proceedings of yesterday was read and approved.

### MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Frazier, its legislative clerk, announced that the Senate had passed, with an amendment, in which the concurrence of the House is requested, a bill of the House of the following title:

H. R. 4011. An act to continue the functions of the Commodity Credit Corporation and the Export-Import Bank of Washington, and for other purposes.

### EXTENSION OF REMARKS

Mr. MANSFIELD. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein recent quotations from engineering reports and other documents.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. LELAND M. FORD. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein a letter from Dr. Nylander, of the National Labor Relations Board.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. EATON of California. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein a resolution passed by the city of Long Beach, Calif.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. JACOBSEN. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein a recent radio address made by Senator HERRING, of Iowa.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. VOORHIS of California. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein a brief summary of the annual report of the Surgeon General of the United States.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

### ADJOURNMENT OVER

Mr. RAYBURN. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet on Monday next.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

### TREASURY-POST OFFICE APPROPRIATION BILL, 1940

Mr. LUDLOW, from the Committee on Appropriations, reported the bill (H. R. 4492) making appropriations for the Treasury and Post Office Departments for the fiscal year ending June 30, 1940, and for other purposes (Rept. No. 98), which was read a first and second time, and, with the accompanying papers, referred to the Committee of the Whole House on the state of the Union and ordered printed.

Mr. TABER. Mr. Speaker, I reserve all points of order on the bill.

Mr. LUDLOW. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the