duties of the United States Golden Gate International Exposition Commission, and for other purposes; to the Committee on Foreign Affairs.

By Mr. HAVENNER:

H. J. Res. 429. Joint resolution to provide for participation of the United States in the Golden Gate International Exposition at San Francisco in 1940, to continue the powers and duties of the United States Golden Gate International Exposition Commission, and for other purposes; to the Committee on Foreign Affairs.

By Mr. TENEROWICZ:

H. J. Res. 430. Joint resolution for the relief of the anguished, stricken, and starving population of war-torn and martyred Poland; to the Committee on Foreign Affairs.

By Mr. HARTLEY:

H. Res. 359. Resolution authorizing the House Committee on the Post Office and Post Roads to make certain investigations; to the Committee on Rules.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BATES of Massachusetts:

H. R. 7955. A bill for the relief of Louis Rosenstone; to the Committee on Immigration and Naturalization.

By Mr. CORBETT:

H. R. 7956. A bill granting a pension to Ella B. Crider; to the Committee on Invalid Pensions.

By Mr. GATHINGS:

H. R. 7957. A bill for the relief of Willie Perry; to the Committee on Claims.

By Mr. GIFFORD:

H. R. 7958. A bill for the relief of Littlefield-Wyman Nurseries; to the Committee on Claims.

H. R. 7959. A bill for the relief of Nathan A. Buck; to the Committee on Claims.

By Mr. GRAHAM:

H. R. 7960. A bill granting a pension to Fred L. Lindsey; to the Committee on Invalid Pensions.

By Mr. HAVENNER:

H. R. 7961. A bill for the relief of the State compensation insurance fund of California; to the Committee on Claims.

H. R. 7962. A bill for the relief of the State compensation insurance fund of California; to the Committee on Claims.

By Mr. JENKINS of Ohio:

H. R. 7963. A bill for the relief of Charles Palmer Cornwell; to the Committee on Military Affairs.

By Mr. McGEHEE:

H. R. 7964. A bill for the relief of Thomas L. Hughes; to the Committee on Claims.

H. R. 7965. A bill for the relief of T. G. Ramsey; to the Committee on Claims.

H. R. 7966. A bill for the relief of Mrs. T. G. Ramsey; to the Committee on Claims.

By Mr. RYAN:

H. R. 7967. 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.; to the Committee on Claims.

By Mr. SECREST:

H. R. 7968. A bill for the relief of Nick Cenci; to the Committee on Claims.

By Mr. SMITH of West Virginia:

H. R. 7969. A bill granting a pension to Penira Stevens Williams; to the Committee on Invalid Pensions.

By Mr. WILLIAMS of Missouri:

H. R. 7970. A bill granting a pension to Maggie Canter; to the Committee on Invalid Pensions.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

6172. By Mr. McLAUGHLIN: Petition memorializing the Congress and the President of the United States, and the Public Works Administration, and the Work Projects Administration of the United States, to approve and make an allocation of funds for a grant and grant and loan to the Cedar Valley public power and irrigation district; to the Committee on Appropriations.

6173. By Mr. MERRITT: Resolution of the National Automobile Dealers Association, recommending provision for adequate protection to automobile retailers and other similar groups, and that the Wagner National Labor Relations Act should be amended at the forthcoming session of Congress; to the Committee on Labor.

6174. By Mr. THOMAS of New Jersey: Resolution adopted by the Warren County (N. J.) Veterans' Association, Phillipsburg, N. J., urging the continuation of the Dies committee with sufficient appropriation; also resolution adopted by the Buick Liberty Motor Post, No. 310, American Legion, Flint, Mich., on behalf of the continuation of the Dies committee with sufficient appropriation to carry on its work; also resolution adopted by the Rochelle Park (N. J.) Post, No. 170, American Legion, on behalf of the continuation of the Dies committee; and also letter from A. C. Clark, president, the Industrial Association of Perth Amboy, Perth Amboy, N. J., advising that the members of that association feel that the Dies committee has done commendable work in investigating conditions and believe that their work should be continued for the next year; to the Committee on Rules.

6175. By the SPEAKER: Petition of the Milwaukee County Industrial Union Council, Milwaukee, Wis., petitioning consideration of their resolution with reference to the Dies committee; to the Committee on Rules.

HOUSE OF REPRESENTATIVES

WEDNESDAY, JANUARY 17, 1940

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Almighty God, may we listen to Thy sovereignty over the world. The earth is the Lord's, and the fullness thereof; the world, and they that dwell therein. For He hath founded it upon the seas, and established it upon the floods. Who shall ascend into the hill of the Lord? or who shall stand in His holy place? He that hath clean hands, and a pure heart; who hath not lifted up his soul unto vanity, nor sworn deceitfully. Lift up your heads, O ye gates; and be ye lifted up, ye everlasting doors, and the King of Glory shall come in.

Heavenly Father, undisturbed by haste and unvexed by disappointment, let Thy Holy Word speak to us. Make plain to us that which we have not discerned of Thy truth and wisdom. Through Jesus Christ, our Lord. Amen.

The Journal of the proceedings of yesterday was read and approved.

ACQUISITION OF FOREIGN CURRENCIES

Mr. PATMAN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. PATMAN. Mr. Speaker, on Monday last the distinguished gentleman from Minnesota [Mr. ALEXANDER] quoted a very serious charge against the Federal Reserve Board and the Federal Reserve System, which, if true, should have immediately received the attention of Congress and especially the Committee on Banking and Currency, of which I am a member. I took the matter up with Mr. Eccles, Chairman of the Board of Governors of the Federal Reserve System,

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and he gave me a reply which shows that the charge is wholly unfounded.

I ask unanimous consent, Mr. Speaker, to insert Mr. Eccles' reply to the charge in the CONGRESSIONAL RECORD at this point.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

The letter referred to follows:

BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM,
Washington, January 16, 1940.

Hon. WRIGHT PATMAN,
House of Representatives, Washington, D. C.

DEAR MR. PATMAN: This is in response to your telephone call of this morning while I was in a Board meeting, in which you asked for an expression from me as to the accuracy of some statements made by Congressman ALEXANDER, of Minnesota, on the floor of the House, the remarks being printed on page 331 and following in the CONGRESSIONAL RECORD.

In the course of his remarks Congressman ALEXANDER referred to an article by a Mr. James McMullin, said to be a writer in New York, alleging, in substance, that the Federal Reserve banks are acquiring British and French paper currency. The quotation from Mr. McMullin's statement includes the allegation "that the New York Federal Reserve Bank is accepting British and French paper currency—on order from Washington—at the pegged rate of 176½ francs to the pound sterling. * * * Insiders are convinced that the amount is already substantial and steadily increasing. * * * Therefore we are in effect accepting large quantities of paper of dubious future worth at a valuation set by the nations that issue it."

While I already knew that operations of this kind were not being engaged in, I have checked the matter directly with the Federal Reserve Bank of New York and can say that the reported statements by Mr. McMullin, unhappily repeated by Congressman ALEXANDER, are made out of whole cloth. The Federal Reserve Bank of New York or any other Federal Reserve bank is not acquiring either francs or pounds at a fixed rate or at any rate. This has likewise been true for some time in the recent past.

May I say that I am gratified that you brought to my attention the remarks of Congressman ALEXANDER, so that the erroneous statements referred to could be promptly corrected. I am sure Congressman ALEXANDER and yourself will be equally relieved to learn the truth of the matter.

Yours sincerely,

M. S. ECCLES, *Chairman.*

CALENDAR WEDNESDAY

Mr. RAYBURN. Mr. Speaker, I ask unanimous consent that business in order today, Calendar Wednesday, may be dispensed with.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

PERMISSION TO ADDRESS THE HOUSE

Mr. PLUMLEY. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Without objection, it is so ordered.

Mr. PLUMLEY. Mr. Speaker, I have no desire or intent to cumber the RECORD, but in view of the many inquiries I have received from Members of Congress and others with respect to the source of a certain quotation I used in the eulogy delivered on the death of our late associate and colleague from Colorado, John Martin, running something like this—

That man is great and he alone
Who serves greatness not his own—

may I say that that is taken from a poem written by Edward Robert Bulwer Lytton, Earl of Lytton, otherwise known as Owen Meredith, and the poem is A Great Man.

EXTENSION OF REMARKS

Mr. HARRINGTON. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein a letter from the Iowa League of Women Voters in regard to the reciprocal trade pact program.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. HARRINGTON. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein a letter from the Sino-Korean People's League of Washington, D. C.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. RANKIN. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein a short radio address by Mr. Leonard Farmer on the subject of electric-light and power rates.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. SPRINGER asked and was given permission to extend his own remarks in the RECORD.

THE PUBLIC DEBT

Mr. RICH. 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 Pennsylvania?

There was no objection.

Mr. RICH. Mr. Speaker, I call the attention of the House to the Treasury statement of January 11, showing we have gone in the red $2,189,835,268. Since July 1 last that means a deficit of close to $4,000,000,000 this year. Terrible! Horrible! Awful! I have always wondered where we were going to get the money to meet current years' deficits, but it looks to me now as though there is a ray of hope in this direction, and I congratulate the leaders on the majority side and on the minority side on the result of their efforts on this particular independent offices bill. I believe the intent in the minds of these men is to try to economize in Government expenditures. I have always been for it and will continue to be. Will you Members of Congress do the same at this session? Nothing can be more to the welfare of America than efforts to try to save this Nation from bankruptcy, and I hope the Members of this body on both sides of the aisle will follow their leaders on this particular bill. If they do, I am sure there will be light ahead and that eventually this party which has created such a huge national debt will be able to get out of it somehow, and that we will be able to keep from going into bankruptcy, stop the wild orgy of spending, and we can do it.

[Here the gavel fell.]

EXTENSION OF REMARKS

Mr. GARTNER. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein a radio address I made last Saturday evening.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. SECCOMBE. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein a resolution that was passed by the Wayne and Holmes County Automobile Dealers' Association of Ohio.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. MUNDT. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein an editorial from the Daily Argus Leader of Sioux Falls, S. Dak.

The SPEAKER. Is there objection to the request of the gentleman from South Dakota?

There was no objection.

Mr. ANGELL. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD in two respects, one to include an article by George W. Peavy, and the other to include an article by Harry Emerson Fosdick.

The SPEAKER. Is there objection to the request of the gentleman from Oregon [Mr. ANGELL]?

There was no objection.

INDEPENDENT OFFICES APPROPRIATION BILL, 1941

Mr. WOODRUM of Virginia. 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. 7922), making appropriations for the Executive Office and sundry independent executive bureaus, boards, commissions, and offices, for the fiscal year ending June 30, 1941, and for other purposes; and pending that I ask unanimous consent that general debate shall continue for 3 hours today, the time to be equally divided between myself and the gentleman from Illinois [Mr. DIRKSEN].

The SPEAKER. Is there objection to the request of the gentleman from Virginia [Mr. WOODRUM]?

There was no objection.

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. 7922, with Mr. WARREN in the chair.

The Clerk read the title of the bill.

Mr. WOODRUM of Virginia. Mr. Chairman, I yield 15 minutes to the gentleman from Virginia [Mr. BLAND].

Mr. BLAND. Mr. Chairman, I presume there is no one here who has a higher regard for the Committee on Appropriations and its subcommittees than I have. I realize the very, very difficult problem that is ahead of it and I sympathize with that problem. Just so far as I can, with due regard to what I believe to be the best interest of the country, I am willing to go along with the committee. I feel, however, very keenly about one proposal in this bill. I fear that the Congress in its entirety is not always sufficiently familiar with the problem to consider it in all of its ramifications. I refer particularly to the cut which has been made in the appropriation for the Maritime Commission.

I am not impelled by any personal motives except my interest in the merchant marine after many, many years' service on that committee. I believe in some book it has been said that I come from a shipbuilding center, which is true, and probably that has caused me to devote a little more time and attention to the problem than I would otherwise. I would recall the Members' attention to the fact, however, that in the course of my service on that committee I have voted against measures that were advocated by the people in my town and sometimes incurred rather severe enmities, but they have passed away.

It is essential that America shall have a merchant marine and we should do nothing at this critical time to interfere with the program that has been outlined by the Maritime Commission. I wish that every Member in this House who is called on to pass upon this important problem could read the testimony of Admiral Land before the Appropriations Committee and his splendid presentation of the purposes, the objects, and the program of the Maritime Commission. May I say in this connection for Admiral Land that I think he is devoting his time to a splendid service at a minor compensation. Of course, he is getting $10,000, but he would get $6,000 or $6,500 as a retired admiral in the Navy without doing anything more than twiddling his thumbs. With $10,000 he is getting an additional compensation of about $4,000 for what I consider the most constructive work today being carried on by the Government.

The Congress in 1936, reiterating its declaration of 1920, founded upon its experience in the World War, based upon its knowledge of what we had gone through because of a lack of a merchant marine, founded upon the knowledge that we must have if we are going to protect the best interests of this country, declared its policy in a legislative declaration which is contained in section 1 of the Merchant Marine Act, 1936, and I read it:

It is necessary for the national defense and development of its foreign and domestic commerce that the United States shall have a merchant marine:

(a) Sufficient to carry its domestic water-borne commerce and a substantial portion of the water-borne export and import foreign commerce of the United States, and to provide shipping service on all routes essential for maintaining the flow of such domestic and foreign water-borne commerce at all times;

(b) Capable of serving as a naval and military auxiliary in time of war or national emergency;

(c) Owned and operated under the United States flag by citizens of the United States insofar as may be practicable; and

(d) Composed of the best equipped, safest, and most suitable types of vessels constructed in the United States and manned with a trained and efficient citizen personnel.

It is hereby declared to be the policy of the United States to foster the development and encourage the maintenance of such a merchant marine.

Under that same act there was created a Maritime Commission, at the head of which today is Admiral Land. He would be false to the declaration of Congress itself, to the policy that has been enunciated in this act and to the people of the United States if he did not present a program that he believed would accomplish this purpose. When we had this matter under consideration in 1935 the Committee on Merchant Marine and Fisheries, having under consideration a bill for the Merchant Marine Act of 1936, in its report to the Congress of the United States called attention to the situation that was then before the country.

The evidence shows that during the period from 1922 to 1928 no vessels were built in American yards for overseas foreign commerce and under the 1928 act 31 new vessels were built for ocean-mail service and 42 reconditioned. In the last 5 years, in the construction of freighters, this country has built 4 while Great Britain was building 295, and for the 5 years previous, when we were constructing 4 in American shipyards Great Britain built 558. During the post-war period from 1922 to 1933 about 16½ million tons of oceangoing ships of 2,000 gross tons and upward were constructed throughout the world, of which the United States contributed less than 7 percent.

The gravity of the situation—

And this was in 1935, Mr. Chairman—

becomes obvious when we consider that the useful life of a ship is 20 years.

The committee then recommended that there should be adopted a long-range policy of building up a merchant marine to restore it to the seas.

The Maritime Commission in 1937 in a report to the Congress of the United States called An Economic Survey of the American Merchant Marine again viewed the situation and presented a picture with which I wish every Member of this House would become familiar. It is a textbook on the needs of the people of the United States for a merchant marine, for two purposes, first, for national defense, and second, for the promotion of our foreign trade and commerce.

Carrying out this purpose of providing a merchant marine pursuant to the 1936 act and the survey of 1937, the Commission has worked out a long-range program covering 10 years whereby there should be constructed the necessary 500 ships at the rate of 50 a year. We were proceeding very nicely on that program until the European war broke.

Mr. Chairman, in my opinion—and do not take my opinion alone; study these facts for yourselves—the people of the United States stand now with respect to their merchant marine at the crossroads. We have an opportunity now such as we have never had since the War between the States from 1861 to 1865, when the American merchant marine was transferred to British and other flags to protect the ships from the ravages of the *Alabama, Florida,* and other cruisers in the Confederate service. We have today an opportunity to restore that flag upon the seas, and it is being carried on by this long-range program.

The war has now come on, and the Maritime Commission, with the consent and the approval of the President of the United States, on September 7, 1939, accelerated this program beyond the 50 ships per year. Why? Because as businessmen they saw that there was going to be an increase in the price of everything; that materials were going up in price and the cost of construction was going up, and that unless the program was accelerated we would be unable to produce the result we wanted on an economic basis. They did that, and what was the result? They immediately advertised and invited bids for construction of ships, and because of the standardization of the ships that were to be constructed and

because of the information and experience that they were able to secure, they found it possible to increase or accelerate the long-range program with the same unit cost per ship.

If you interfere with that, what are you faced with? If you ultimately bring about this result you will be faced inevitably with the necessity of paying more money for the construction of ships. I wish to call attention to the fact that there has been considerable agitation throughout the country for many years last past with regard to relief of unemployment. According to the testimony that was produced before the Committee on Merchant Marine and Fisheries, 80 to 85 percent of the cost of a ship goes to labor.

[Here the gavel fell.]

Mr. WOODRUM of Virginia. Mr. Chairman, I yield 10 additional minutes to the gentleman from Virginia; and may I say that I hope, before the gentleman concludes his remarks, he will have something to say about the suggestion that has been made that in view of the fact that we are having to lay up ships on account of the international situation there is now no necessity for accelerating the shipbuilding program.

Mr. BLAND. According to an article that appears in the United States News this week—and I believe it is fairly authentic—many of these ships have now been put into other services. I would not say they are in services that are paying very much. It will probably be necessary to have an operating differential to take care of them. However, most of the ships have been taken care of except the ships of the United States Lines.

I wish to say in that very connection that there has been considerable criticism of the fact that consent has been given by the Maritime Commission to the transfer of certain ships foreign. I wish you would look at the hearings on that point. There are 117 ships involved. We will find, if we look at that, that there is no very great "hoorah" to be made about it. Is this not a good time to get rid of the model T Fords and put efficient, capable, and economical ships into the service for the time that is coming when we will need them upon the seas? That is what is being done. Old ships, 20 or 25 years of age, not subsidy-built ships, are being transferred foreign. The act of 1936 is the first subsidy legislation we have ever had. In 1928 we did have the Jones-White Act for the construction of certain ships under ocean-mail contracts, and I believe there were approximately 31 ships constructed under that act. You cannot build a ship overnight. It takes 2 or 3 years to build a ship, and if you are going to be prepared economically to get on the seas and win for America her place in the merchant marine world you will have to carry on your shipbuilding program from now on and get them there just as quickly as possible. You will do two things: You will save for America its present foreign trade and commerce and win for America the foreign trade and commerce of the world, if you have those ships ready to go upon the seas.

Furthermore, you will have available the ships that are ready to support the greatest navy building program that has ever been presented to this country. You will be building the second line of the American defense with auxiliaries, and you will not be confronted with the awful, drastic, and painful situation that confronted America in the time of the Spanish-American War, when we sent our Navy upon the seas supported by foreign-flag ships as our auxiliary defense line. You know we could not get them now and you know we do not want to trust to the other navies of the world.

Why, we have today the best and most efficient forces in the construction of ships in the world. The testimony of Admiral Land before this committee showed that they were getting 50 percent more efficiency from the new ships that have been turned out. One of the new ships has been put upon the seas and she is able to make 15 knots, thus a greater speed at less expense than the ships that were constructed during the war; and now you say we want to hold on to those old, broken-down, war-worn, obsolete ships and continue to run them when we can get new ships and probably in that way reduce your operating subsidy.

Mr. WOODRUM of Virginia. Mr. Chairman, will the gentleman yield?

Mr. BLAND. I yield.

Mr. WOODRUM of Virginia. I wish the gentleman would also comment upon the provisions contained in the bill which gives an additional contract authorization to the Maritime Commission of $150,000,000, and in that connection recall the fact that in a shipbuilding program of this kind they cannot enter into contracts running 2 or 3 years unless they either have the money or unless we either presently appropriate the money or give them contract authorization to enter into contracts for such construction. In other words, what would be the effect if that contract authorization was not written in the bill?

Mr. BLAND. You have a commission now that is going to observe the law in every respect, and if the burden of slacking up performance rests upon the Congress, then they will have to assume that burden. Unless those contracts are made and unless they are able to carry out the authority for the awarding of contracts, then the shipbuilding program must stop; and what was outlined in the economic survey of the American merchant marine, and what was said by this committee in 1935, which has been repeated all the time, must stop, and that is the construction of ships necessary to carry on our trade and to protect it—not all of our trade, but a majority of our trade—so that we will be able to protect ourselves from the domination of other nations as to freight rates. We will have our own delivery wagons to carry our own commerce to the ports of the world, and we will be able to carry out an American policy based upon our own thoughts here and supported by an American merchant marine, and if you do not give them that authority you are not going to get it done.

Mr. WOODRUM of Virginia. If the gentleman will yield just briefly, I may say that while I am supporting the action of the committee, I also may say that I am sympathetic toward what the gentleman says, not only about the necessity for supporting the merchant marine but about the character of the men who are now operating the Commission.

Mr. OLIVER. Mr. Chairman, will the gentleman yield?

Mr. BLAND. I yield to the gentleman.

Mr. OLIVER. Will the gentleman state whether this cut that has been made by the Appropriations Committee will prevent the accelerated program recommended by the Maritime Commission?

Mr. BLAND. Absolutely; and I am going to extend my remarks, under leave that has already been granted me, and include a statement of just what it is going to do to the program, and further, I am going to deal with the transfer of these 117 ships that has started such a hullabaloo and show that some of them are sailing ships and tugs and little, old ships that never could figure in the building of an American merchant marine, but under the act that was passed here they could not be transferred, foreign, or sold.

May I say this: The gentleman helped me pass just a year or two ago a "turn in and scrap" bill. What was that? We were to get rid of these old, obsolescent ships. We were going to let them turn them in to the Maritime Commission. We were going to buy them and then we were going to start a replacement program and we were going to put on new ships. Why, bless your soul, if we can sell them to somebody else and get the money from a foreign country, or get the money from somebody else to help out that program, is it not a blame sight better than with Uncle Sam buying those ships and paying a scrap price? These very people whose ships are transferred could scrap those ships. They send over here and buy for cash and carry munitions of war and they buy everything under the sun. Why, in the name of heaven, cannot they buy an old, broken-down, obsolescent ship that is running at a terrific cost or laid up because too expensive to

operate in the American trades. When we had the merchant marine bill before the committee it was reliably stated that $5,000,000 of subsidy of our ocean-mail contract was going up the stack. What do I mean by that? I mean that the ships were built for wartime purposes. They were not economical, they were not constructed for the purpose of carrying on the merchant marine but for bridging the ocean with ships in carrying on the war, and by reason of the uneconomical construction they were costing us $5,000,000 more per year than modern up-to-date ships would. According to the testimony that appears in the record of these hearings, the *Challenge*, one of the new ships, could get 50 percent more speed and yet cost $35,000 a year less to run than these old ships. So that in the course of her economic life of 20 years, it will be 20 times $35,000 that will be saved to the people of the United States. Put it another way: The old vessel made 10,600 ton-miles per barrel of fuel at 10½ knots, while our C–2 ships make 15,450 ton-miles per barrel of fuel at 15½ knots. The Maritime Commission is doing a magnificent job.

Mr. OLIVER. Mr. Chairman, will the gentleman yield?

Mr. BLAND. Yes.

Mr. OLIVER. Will this cut made in the appropriation interfere in any way with the construction program set up by the Maritime Commission prior to this accelerated program agreed to last September?

Mr. BLAND. I think it will. I know it will interfere with the conduct of the program already in force under contracts entered into. I do have a statement that I shall put into the RECORD of both the ships that have been transferred and also the effect on the program that will follow.

The CHAIRMAN. The time of the gentleman from Virginia has expired.

Mr. WOODRUM of Virginia. Mr. Chairman, I yield 3 additional minutes to the gentleman from Virginia.

Mr. BLAND. Mr. Chairman, I shall not take much more of your time, but I am going to ask you to read these matters to which I have referred. I have worked with the best information I could get last night and the night before in the preparation of what the effect would be on this accelerated program. It is not alone the seacoast cities, it is the South and the Middle West and all America that are affected. We showed in the production of evidence before our committee that even these broken-down maritime ships which had meant $600,000,000 to the people of the interior of America at one time, because we were able to put them on the seas. I am speaking now, not for the shipbuilding people, but I am speaking for the people all over the United States who wish to control the agencies that are going to carry that commerce, and not at the conclusion of this war be submitted to the domination and control of other nations of the world. I am speaking more for the Navy of the United States that needs these ships as auxiliaries to go along with them, to serve their needs, because, according to all the testimony that has been produced, they are the second line of defense. Some of the merchant vessels may be converted into auxiliary cruisers, some of them into airplane carriers, and thus serve and protect the people of the United States. This is a troubled time and we want to protect ourselves.

Mr. LUDLOW. Mr. Chairman, will the gentleman yield?

Mr. BLAND. Yes.

Mr. LUDLOW. I have not heard all of the gentleman's speech, but I am wondering if he knows how much money would be required to carry out the outstanding contracts.

Mr. BLAND. I am something of a prejudiced witness, but I have no hesitation in saying that I think it would require the amount provided by the Bureau of the Budget.

Mr. LUDLOW. What is the gentleman's opinion as to the probability of suits being filed for the enforcement of those contracts?

Mr. BLAND. I am not prepared to say; I have not studied that; but the carrying out of the contract is not just an obligation to the person with whom the contract has been made; it is an obligation to the people of the United States, pursuant to the declaration in the Merchant Marine Act of 1936, pursuant to the economic survey that was made in 1937, to protect this Government and to carry on its policies, so that we may preserve economically upon the seas that independence which we assert. That is the great purpose. [Applause.]

The CHAIRMAN. The time of the gentleman from Virginia has again expired.

Mrs. ROGERS of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. DIRKSEN. Mr. Chairman, I yield half a minute to the gentleman in order to answer a question.

Mr. BLAND. I yield to the gentlewoman from Massachusetts.

Mrs. ROGERS of Massachusetts. How long will it take to build these ships?

Mr. BLAND. Usually it takes 2 or 3 years to build one ship.

Mrs. ROGERS of Massachusetts. I did not realize it took nearly as long as that.

Mr. BLAND. It takes about 2 years, and not only that, but this shipbuilding bill has brought great benefit all over the United States, because they are building on the west coast, in the South, in sections of the North. They are not confined to any one particular section, and it serves as an opportunity to employ labor at all those points, and the material that goes into a ship comes practically from every State in the Union. It is the labor back home that is benefited. Eighty to eighty-five percent of labor is being helped by this shipbuilding program.

Inquiries and references have been made here as to the Maritime Commission's program of construction, the speed-up of that program now under way, and the money needed for the program. I want to give you just a brief outline of these matters so that the Congress will be better advised on the problems involved in this appropriation.

Under the long-range construction program adopted by the Commission, 50 ships a year for 10 years were contemplated. In the end of the calendar year 1938, 51 ships had been contracted for under this program. Up to September 1939 just prior to the outbreak of the European war, 23 additional ships had been contracted for.

Upon the outbreak of the European war the Commission reconsidered its construction program in the light of the conditions resulting from the European situation. This reconsideration indicated that it was highly desirable to accelerate the program by contracting for 66 additional ships, all of them being cargo vessels.

The progress made under the construction program had involved the development of efficient and modern designs for cargo vessels and the development of shipbuilding capacities and improvement of shipbuilding facilities. It was practical as a construction and engineering proposition to embark on an accelerated program.

The accelerated program was decided upon, because—

First. Reasonable prices in effect at the beginning of the war could be availed of, while future prices were wholly uncertain.

Second. Some prices, particularly of auxiliary and equipment material, were already hardening.

Third. Disregarding emergency possibilities, prospective purchasers or charterers, or both, were available for about 90 percent of the additional 66 ships.

Fourth. Awarding of the additional contracts would enable the distribution in an orderly and reasonable manner to the various shipbuilding firms and propulsion machinery firms. Geographical distribution of construction work was possible.

The accelerated program was submitted to the President and was approved by him on September 7, 1939.

Additional contracts were awarded pursuant to the program adopted bringing the total contract awards on December 31, 1939, up to 141 vessels. As of that date, 36 ships have been launched, and 21 delivered and put into service.

Before adopting the program of awards under contemplation for the remainder of the fiscal year 1940—18 vessels—and for the fiscal year 1941—44 vessels—the Commission carefully considered the uncertainties resulting from European conditions, the length of time required for the building of the contemplated vessels, the prospects of putting the vessels into service either through sales or charters upon their completion, and the advantages of making use presently and during 1940 and the first half of 1941 of available shipyard facilities. Good judgment in the interest of the United States, its national defense, and its needs for foreign-trade shipping, the possibilities of making prompt use of a program of merchant marine rehabilitation already under way—all justify the conclusion that the program of construction should be speeded up rather than slowed up.

The letting of the contracts took advantage of existing construction facilities at current reasonable prices. One of the objects of the accelerated program was the immediate and continued utilization of available shipways. If these facilities had not been tied up with American vessel construction, they would have secured business for construction for foreign account; this would have undoubtedly meant a rapid and serious increase in ultimate cost to American shipowners. This possibility is not imaginary; tentative negotiations on account of foreign interests with American shipyards had taken place.

Now, what does the appropriation cut mean to this program now under way? I would like to give a few simple figures and comments on this vital matter.

At the end of the fiscal year 1940, on an obligation basis, the construction fund of the Commission will have become exhausted. This is in contrast with the status of the construction fund at the beginning of the fiscal year 1940. On June 30, 1939, there was a carry-over of $33,415,272 which was, of course, available for expenditure for the fiscal year 1940, and which, together with the appropriation of $100,000,000, made a total appropriation of $133,415,272 to the Commission for the fiscal year 1940. This was predicated on a construction program of 50 ships and made it unnecessary to have as large an appropriation for the fiscal year 1940 as is now necessary for the fiscal year 1941.

However, the Commission accelerated its program and during the calendar year 1939 contracted for 91 additional ships, or a total of 141 ships. These contracts will require a net expenditure during the fiscal year 1941 of approximately $137,000,000—an amount in excess of the appropriation of $125,000,000, as recommended by the Appropriations Committee.

Awards for construction of 18 vessels are proposed to be made during the remainder of the fiscal year 1940. Net expenditures during the fiscal year 1941 under these awards will be approximately $32,400,000.

So far no account is taken of proposed awards for construction for the fiscal year 1941. The program of the Commission calls for awards to be made for 44 vessels during that fiscal year. This would require an additional net expenditure during that fiscal year of approximately $23,000,000.

The total contemplated expenditures under the proposed construction program up to the end of the fiscal year 1941 will call for net expenditures of approximately $173,000,000.

It is clear that an appropriation of $125,000,000 will not even take care of the construction contracts already entered into.

The Commission under its accelerated long-range program contemplates a total of 159 vessels—141 now let, plus 18 to be let—by the end of the fiscal year 1940, with awards to be made during the fiscal year 1941 for the construction of 44 vessels, making a total of 203 vessels under the program by June 30, 1941. Obviously, the Commission cannot carry out this program with only an appropriation of $125,000,000 for the fiscal year 1941.

Considering only obligations on account of the 141 vessels contracted for, and without any further awards for contracts during 1940 or the fiscal year 1941, deficiency appropriations will be needed for the fiscal year 1940 of approximately $18,500,000; for the fiscal year 1941, $12,440,000; with an additional appropriation of approximately $5,000,000 for 1942. Thus the deficiency in funds under the existing obligations for construction, disregarding entirely all other items of expense on the part of the Commission, will be approximately $36,000,000.

This reduction below the Budget estimate of needs means the loss of the advantages to the United States contemplated under the accelerated construction program; that is, deferred construction will almost certainly face increased costs; American shipyards will be occupied by construction for foreign account; there will be a sacrifice of the opportunity for the United States to place itself in the lead of maritime nations at the end of the present European disturbances.

These figures as to construction-program costs do not take into account other necessary and authorized expenditures on the part of the Commission. For example, for the fiscal year 1941 expenditures of almost $4,000,000 are contemplated for the United States Maritime Service. General administrative expense is estimated as $5,650,000. Operating-differential subsidies will require expenditures approximating $18,000,000. Other items include reconditioning and outfitting of vessels, laid-up fleet expense, cadet-training expense, contingencies for insurance, and other claims.

The total estimated expenditures of the Maritime Commission for the fiscal year 1941 amount to $210,294,243, less receipts of $10,294,243, or a net Budget estimate or appropriation fixed at $200,000,000.

The Budget estimate takes into full account all receipts from ship mortgages and secured notes held by the Commission. It also takes into full account the estimated receipts for principal and interest collections on newly constructed vessels. This item amounts to approximately $5,000,000 as progress payments on partially completed vessels and $1,500,000 for completed vessels, the balance of the amounts due on completed vessels representing loans to operators secured by mortgages on the vessels and to be repaid in 20 equal installments with interest at 3½ percent per annum. Repayments from secured and miscellaneous accounts—other than new ship construction—amount to approximately $5,400,000. Sales of vessels from the laid-up fleet are estimated to bring in approximately $700,000 during the fiscal year June 30, 1941. Every one of these items are accounted for in connection with the estimates of funds necessary for the fiscal year 1941.

Bear in mind that the receipts on account of principal and interest collections on newly constructed vessels are now and will be during the fiscal year 1941 comparatively small, because only a small proportion of the new vessels have been completed and delivered to purchasers. Some of the vessels constructed under title VII are allocated to charterers, others are operated by the Commission on existing trade routes, and several have been sold. Their final disposition is contingent upon prospective purchasers. The return to the Government on account of newly constructed vessels will not amount to its fullest extent until an appreciable number of the vessels being constructed under the program are delivered to purchasers who at the time of delivery of the vessel make a 25-percent down payment on the foreign construction cost, the balance funded as shown elsewhere in this memorandum.

Of the money spent by the Commission for ship construction, approximately half is repaid to the Commission with interest by private ship operators, whether the vessels are sold under title V or chartered under title VII, but the payments extend over a period of 20 years, requiring relatively larger net outlay during the early years of the Commission's program.

The reduction of the item, $5,650,000, for administrative expenses to $5,000,000 has the effect of reducing the amount available for expenses of running the Commission, but the

item is a part of the appropriation to the construction fund and there is no real saving in the Budget totals.

The reduction of the money for administration is short-sighted and false economy. It means that the Commission will have an impossible burden, even under the existing construction program, in properly supervising the construction of ships and in auditing the construction operations of the shipbuilders. Vessels, whether for private or Commission account, are constructed under Commission plans and supervision in order to protect the Government's interests in every way. Profits of shipyards constructing these vessels are limited under the Merchant Marine Act, 1936, but an inadequate auditing force may mean losses of funds which should be recaptured for the Government by the Commission.

Questions were asked here yesterday and today about the Commission's policy in approving transfers of vessels to foreign registry.

Most of these questions were answered in the hearings before the Appropriations Committee, but I believe they can be stated shortly and simply to clear up all this confusion on the matter.

From October 26, 1938, to October 25, 1939, 88 vessels were approved for transfer to foreign registry; from October 25, 1939, to November 30, 1939, 29 vessels were transferred, making a total of 117 vessels, 2 sales being subsequently canceled by owners.

Forty-three of the 88 vessels and 10 of the 29 vessels were sailing vessels, yachts, motorboats, tugs, and barges, making a total of 53 miscellaneous craft.

The remaining vessels total 64—48 cargo ships and 16 tankers.

How old were these ships? The 29 cargo ships transferred prior to October 25, 1939, average 23.5 years in age—20 years is the assumed useful life of a vessel. The 19 cargo vessels subsequently transferred average 19.7 years old. The 16 tankers averaged 21.3 years old—assumed useful life of tankers being 15 to 20 years.

Of the 29 ships transferred between October 25, 1939, and November 30, 1939, as previously stated, 10 were miscellaneous yachts, motorboats, tugs, and so forth. Fourteen of the remaining 19 ships consisted of the old Moore & McCormack ships transferred to the Lloyd Brasileiro for operation in the Brazilian trade. This transaction was under consideration and discussed in the public press long before the present European war, and was made in consideration of new construction by Moore & McCormack.

One of the five remaining ships—the *President Madison*—was transferred to Philippine registry for Philippine trade. Approval was given to the trustee in bankruptcy of the American Mail Line, and may enable the creditors to set up a new American steamship company.

One of the four remaining is a whaling ship; one was owned by the Southern Pacific Golden Gate Ferry Co.; one is exceedingly small; one was sold to a Greek citizen.

It has been asked here, How many vessels transferred received operating-differential subsidy at time of transfer or at any previous time?

Ten vessels were under subsidy contract under the Merchant Marine Act, 1936, at the time of transfer. Nine were part of the Moore & McCormack-Lloyd-Brasileiro deal; are to operate between this country and Brazil, and all will be replaced by new American construction. The subsidy ceased when the transfer was approved.

Five vessels received subsidy at some time prior to transfer. Two of these were included in the McCormack-Brazil deal; one was subsidized when owned by a line which no longer exists; one was subsidized when owned by a line which no longer receives subsidy but operates under the American flag without it—this ship is 28 years old. The remaining ship will continue to act as a Latin-American feeder for an American-flag line.

Reference has been made to transfers or sales by Lykes Bros. of certain vessels. The facts are that 12 vessels of these lines, driven off their route by the Neutrality Act, have been chartered to the Chilean Sales Nitrate Corporation for a few months. There is no change of registry, no change of ownership, but only a charter contract. The owners received operating subsidy for these vessels before they were driven off their route. They do not receive operating subsidy while under charter.

The question has also been asked, Did the Government ever have any financial interest in any of the ships transferred?

The Government had no financial interest in any of the ships at the time of transfer.

Formerly the Government was interested in 17 of the vessels in this way:

Four vessels had Government construction loans which were paid off in full in 1938—these ships were part of the Brazil deal.

Eleven of the vessels were built by the Shipping Board during the World War period and were sold to private citizens by the Government for the best price obtainable; at least one being sold with the contract privilege of transfer to foreign registry.

Two vessels were requisitioned by the Shipping Board while under construction for private owners during the World War. These ships were completed by the Shipping Board and transferred back to the original contract owners after the war, the owners paying the full cost of construction to get their ships back.

Are American owners transferring registry while keeping ownership? Yes; five of the cargo vessels, but one of these will constitute feeder service—operating between Latin-American ports—as an adjunct to an American-flag service. Two others originally were built abroad and registered under a Latin-American flag, and were returned to their former registry. In all cases there were such special circumstances for permitting the transfer of American vessels. Fifteen of the tankers were transferred to related Panamanian corporation owned by American citizens. These vessels were released under the conditions they be returned to United States registry upon request.

All of the vessels here discussed are still subject to requisition by the United States in case they are needed for war or other national emergency needs.

Thirty-one—15 cargo vessels and 16 tankers—were permitted to transfer only in connection with agreements for new construction. Of course, most of the other transfers involved small or nondescript craft.

The tanker transfers will result in placing 17 new modern tankers under the American flag which will have an aggregate dead-weight tonnage considerably in excess of the vessels being transferred; further, the sale and transfer were conditioned upon the agreement on the part of the owner guaranteeing to redocument said vessels under the laws of the United States upon demand of the Maritime Commission or of the President of the United States by general proclamation.

In exercising its discretion under the law the Commission considers certain essential facts with reference to the particular vessel to be sold or transferred foreign. These considerations are:

First. Whether the United States Government has any financial interest in the vessel.

Second. Whether the vessel is obsolete or approaching obsolescence.

Third. Whether the owner will agree to a program for the construction of new vessels needed by the merchant marine.

Fourth. Whether the vessel is needed for national defense purposes or required for the transportation of our commerce.

Fifth. Whether the removal of the vessel from United States registry would improve the prospects for suitable allocation of other affected vessels to certain trades.

The Commission also imposes administrative restrictions or conditions, one or more of which is imposed by the Commission on each particular vessel on which approval is granted, as follows:

A. The commodities which the vessel may carry on its first outward voyage from a United States port are restricted to certain type of cargo. The purpose of this restriction is that the vessel should not compete with other established American carriers. It puts the vessel in the same status as if it had been purchased from any other nation besides the United States.

B. The vessel is restricted in its trade with United States ports for a given number of years to prevent competition with other American-flag vessels.

C. The vessel is required to be scrapped.

D. There shall not be any liens or encumbrances on record against said vessel in the customhouse at its last United States home port when the oustanding marine document is surrendered.

E. The funds obtained from the sale of the vessel are to be impounded by the United States as a commitment on new tonnage contracted for or to be contracted.

F. The owner must agree to redocumentation of the vessel under United States registry upon request by the Maritime Commission.

G. The vendee must agree not to sell the vessel without prior approval of the United States Maritime Commission; the vendee will agree to conform to conference rates and practices when operating the vessel in competition with United States services; and the vendee will agree to sell or charter the vessel to the United States Government on the same terms and conditions upon which any American-flag vessel could be requisitioned for purchase.

Except as to liens and encumbrances which are matters of record, a bond is required of the vendor and/or vendee to insure compliance with the conditions.

The CHAIRMAN. The time of the gentleman from Virginia has again expired.

Mr. DIRKSEN. Mr. Chairman, I yield 20 minutes to the gentleman from New York [Mr. TABER].

Mr. TABER. Mr. Chairman, I ask unanimous consent to revise and extend my remarks and to include therein quotations from the Budget and Accounting Act of 1921, from the different hearings of the Reorganization Committee, from the so-called Government Manuals of 1936 and 1939, from the President's message to Congress, and to insert certain tables which I have prepared, showing the source of funds for some of the operations which are going on with reference to the Government.

The CHAIRMAN (Mr. BARDEN). Without objection, it is so ordered.

There was no objection.

Mr. TABER. Mr. Chairman, when the President came before us he inserted in his message on page 6 a statement which I shall include in full, but which berates arguments and rabble-rousing operations on which dictators ride to power.

The paragraph to which I have referred is as follows:

> Doctrines which set group against group, faith against faith, race against race, class against class, fanning the fires of hatred in men too despondent, too desperate to think for themselves, were used as rabble-rousing slogans on which dictators could ride to power. And once in power, they could saddle their tyrannies on whole nations and on their weaker neighbors.

I want to call the attention of the Congress to an operation which is going on and which the Executive, according to his statement in last night's paper, is still trying to put across, notwithstanding the Congress has failed to provide any legislative authority for it—two schemes known as the National Resources Planning Board and the Office of Government Reports.

The first of these outfits is a propaganda outfit, designed to embark the Government on all kinds of programs which have never been regarded as Federal functions; to embark the Government upon all sorts of things that will bankrupt the Government of the United States.

The second of these outfits is an outfit which has been designed to establish the Executive in great power and to build up his authority, and increase the trend toward dictatorship.

In 1921 we passed the Budget and Accounting Act, and there we provided, in section 301:

> There is created an establishment of the Government to be known as the General Accounting Office, which shall be independent of the executive departments and under the control and direction of the Comptroller General of the United States.

When we held the reorganization hearings in 1937, the President's Reorganization Commission, headed by Louis Brownlow, and containing, among others, Mr. Luther Gulick, were before the Joint Reorganization Committee, and during the hearings on February 16, 1937, on page 14 of those hearings, this question appears:

> Representative COCHRAN. The Congress set up the Accounting Office under the Comptroller General. It was set up as an agency of the Congress, not as an agency of the executive branch of the Government.
>
> Mr. GULICK. That is right.

There had been certain criticism of the operaions of the Comptroller General, and Mr. COCHRAN said, on page 15:

> You would not deny the Congress the right to limit appropriations?
>
> Mr. GULICK. No.
>
> Representative COCHRAN. When the Comptroller General limits the expenditure of a certain sum of money that Congress intended for a given purpose, why should not the Congress be criticized if you are going to criticize anyone? Congress laid down the law, not the Comptroller General.

Now, just prior to the passage of the so-called reorganization plan, the so-called National Emergency Council at that time, which is operating under another alias at the moment, got out what they call the United States Government Manual, and I have the chart in front of me. That sets up the functions of the different agencies of the Government and to whom they are accountable. In that set-up there appears under the lines covering the legislative branch and Congress the General Accounting Office. That is on the chart that appears on the first page of that publication.

After this so-called reorganization law was passed last year, they got up another United States Government Manual, in October 1939. I have it here. In that document appears another chart, on page 467, and there appears the set-up of the legislative, executive, and judicial branches. There the General Accounting Office is set up under the President. They got Congress down so that Congress had nothing to it except the Senate and the House and the Architect of the Capitol.

Mr. REES of Kansas. Mr. Chairman, will the gentleman yield right there?

Mr. TABER. I yield.

Mr. REES of Kansas. Can the gentleman tell the Members of this House how in the world the Executive got authority to transfer this General Accounting Office over under the executive department, according to that document, rather than to have it remain where it was?

Mr. TABER. Well, that is an item of propaganda that this so-called office of Government reports is putting out—to build up the impression amongst the people and amongst the Congress that the General Accounting Office is set up not as an agent of the Congress, but as the agent of the Executive.

The planning of this Office of Government Reports came largely through the direction and operation of one Louis Brownlow, who was chairman of this so-called outfit. This Louis Brownlow has a great lot of organizations. I am going to put them in the RECORD in detail. Charles Merriam, a professor who formerly served at the Chicago University, is a member of this National Resources Board and one of the moving spirits behind it. He is the head of the Spellman Foundation, which has contributed, in the last 6 or 7 years, a total of $3,953,000 to these different Brownlow outfits. The Spellman Foundation was one of the outfits that Mr. Rockefeller set up in his lifetime. In some of these outfits Mr.

Brownlow and, as I understand it, Professor Merriam, are employed. Professor Merriam, you know, is head of the Spellman outfit.

I do not criticize Mr. Rockefeller. I do not think he knew anything about this attempt that was being made by Mr. Brownlow and that set-up to break down the fundamental guarantees that the Congress has set up to protect the integrity of the appropriations that it has passed in the Budget and Accounting Act, and in the office of the Comptroller General.

As a result of the recent opposal of the reorganizing of the Federal Government proposed by none other than Charles E. Merriam and Louis Brownlow, the National Resources Planning Board has been moved directly into the Office of the White House. This is the same Brownlow whose organizations have been given unstinted financial support by the Spellman fund, of which Merriam is chairman. With few exceptions, the annual report of the Spellman fund shows that that organization has been the financial support of the Brownlow affiliated groups for years. One might conclude that the sole, or main, purpose is to supply financial lifeblood of the Brownlow units.

The following table presents figuratively the distribution of Spellman funds to the big 12 engaged in municipal administration:

Recipient	1929-30	1931	1932	1933	1934	1935	1936	1937	1938	1939
American Municipal Association	$2,500	$94,750	$5,000	$10,000	$25,500	$120,000	$97,000	$101,500	$52,500	$508,750
American Public Welfare Association			108,500			55,000	57,000	92,500	67,500	380,500
American Public Works Association						5,000	39,500	17,000		56,500
American Society Planning Officials					40,000	40,000	44,000		57,500	146,500
Civil Service Assembly					62,500	161,500	15,200	93,050		210,750
Council State Governments						41,000	42,000	135,000		338,500
International City Managers Association	29,000		72,000		19,000		21,000	36,000	20,000	209,000
Municipal Finance Officers Association			52,750	58,000			90,000		66,000	260,750
National Association Assessing Officials					15,000	70,000	33,500		39,000	87,500
National Association Housing Officers				30,000			7,750	40,000	10,000	157,750
Public Administration Clearing House		[1] 1,003,000		56,750	55,000	95,000	42,500	165,500	72,000	1,484,750
Public Administration Service					35,000		25,000		52,000	112,000
Total	31,000	1,097,750	238,250	154,750	252,000	587,500	514,450	675,550	436,500	3,953,250

[1] Of this amount, $503,000 represents stock in the United States Daily.

I do realize that both of these organizations are a menace to the welfare of the American people, and they are a menace to constitutional government. I feel that the Subcommittee on Independent Offices and the Appropriations Committee are to be complimented in having cut out all appropriations for the National Resources Board and the Office of Government Reports.

This Government Manual that is gotten out has hardly a thing in it that is not in the regular Congressional Directory published by the Congress twice every session and which gives everyone the needed information that they ought to have to find out what is going on, and which sets up those things properly and as they ought to be set up. I hope that the Congress will have in mind as they approach this problem and as questions are presented to it the absolutely destructive character of these outfits and of the way they are operating, and that they will not allow these two destructive outfits to be placed upon the pay roll of the United States Government after the 1st of July next.

Mr. MAY. Mr. Chairman, will the gentleman yield?

Mr. TABER. I will.

Mr. MAY. I notice in the newspapers this morning, or yesterday, a report to the effect that two of the agencies the gentleman is talking about had been eliminated from consideration for appropriation due to the fact that there was no legislative authority for their existence. Are these the two groups?

Mr. TABER. These are the outfits.

Mr. MAY. Furthermore, I understand that we are going to be asked to enact legislation to legitimatize them and authorize them so you can appropriate for them. If this is coming up, I believe the House ought to begin thinking about whether they ought to create additional agencies.

Mr. TABER. That is why I am here now, because I want the House to know something of the background. Under permission that has been granted to me I am going to insert considerable detail with reference to this set-up because I want the Congress to begin thinking about how subversive they are and how destructive they are to the powers of this Congress. Let me say to you that the minute the Congress gives up its control over the appropriating power and over the auditing done by the Comptroller General that that minute the liberties of the American people are gone; and any tendency by propaganda or otherwise to bring about that idea in the minds of the people must be stopped.

Mr. CRAWFORD. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield.

Mr. CRAWFORD. Is this the first cut by the Appropriations Committee that has been applied against some particular project which the President himself desires to keep going?

Mr. TABER. I would not say that. I believe the Appropriations Committee a great many times has attempted to cut projects that it did not believe should be carried on.

Mr. CRAWFORD. The gentleman misunderstands me. I meant in this current session of Congress.

Mr. TABER. This, of course, is the first regular appropriation bill of the session. These things are not authorized by law; and the committee, I understand, felt that they should bring no appropriations in here for outfits that were not authorized by law.

Mr. CRAWFORD. If this is a proposition which has not been legislatively approved, we will say, and is one of the pet projects of the President, and he is going to take this attitude with reference to reductions in expenditures which the committee attempts to make, then what should he expect Members of the House and the citizens of the country to take as their attitude on projects they themselves want continued—projects which have been more or less legislatively approved? It seems to me the President is setting an example here for the whole Congress to follow; that is, cut everything except my particular projects, but do not cut my projects, whether they are legitimate or otherwise; I am going to insist that money be spent to keep my particular projects going.

Mr. TABER. That statement pretty thoroughly describes the attitude that the President is taking.

I say to the President and to the Congress that it is absolutely impossible to cut this Budget down where it belongs unless there be cooperation on the part of everyone in doing away with the things the country does not need and that Congress does not need. We have got to cut out all of those superfluous activities that get us into trouble. Unless we do it we are never going to bring the organization of the Federal Government into such situation that we can raise taxes enough to support it.

Mr. CRAWFORD. I would like to make this observation, if the gentleman will permit.

Mr. TABER. Yes.

Mr. CRAWFORD. I agree with his statement and wish to say that I have no pet project of any kind which I want protected insofar as this Budget is concerned, and I shall be pleased to go along with him.

With reference to the National Resources Board, I ask whether the operation of the National Resources Board is not of such nature that it tends to promote a demand for those projects which have been more or less described as self-liquidating projects, but which call for great appropriations?

Mr. TABER. It is not confined to self-liquidating projects.

Mr. CRAWFORD. I did not intend so to confine it.

Mr. TABER. Nor is it confined to allegedly self-liquidating projects; it goes way beyond that scope, and goes even beyond the wildest dreams of the biggest spenders of Congress.

Mr. CRAWFORD. One other question with reference to the two publications which the gentleman has called to our attention. From a utility standpoint, it seems to me that the first publication—that is, the loose-leaf publication—is much more informative and more adaptable to one's needs, if one is going to use either of the publications, than is the latter. I understand the former publication, the loose-leaf publication, has been discontinued and that the red book has been substituted for it.

Mr. TABER. The reason is that they have changed their theory and they want to advertise something that is not so in fact, that the Comptroller General's office is the agency of the Executive. This is not true.

Mr. MAY. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield.

Mr. MAY. I am interested very much in the question of the General Accounting Office. I understood the gentleman to say—and I hope I did not misunderstand him—that by reason of the reorganization bill the General Accounting Office has now been put under the Executive instead of under Congress.

[Here the gavel fell.]

Mr. CASE of South Dakota. Mr. Chairman, I yield the gentleman from New York 2 additional minutes.

Mr. TABER. I did not mean to say that; I meant to say that after the passage of the reorganization bill they changed this Government Manual and their chart to place the Comptroller General's office under the Executive instead of under the Congress and legislative branch where it belongs.

Mr. MAY. In other words, there has been no Executive order attempting to change it.

Mr. TABER. Oh, no; there could not be.

Mr. COCHRAN. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield.

Mr. COCHRAN. The Comptroller General's office is an independent agency?

Mr. TABER. Absolutely.

Mr. COCHRAN. It does not belong under the Congress, then?

Mr. TABER. On the other hand, it is supposed to be, as the gentleman from Missouri so well said in questions to Mr. Gulick, an agency of the Congress.

Mr. COCHRAN. It is more closely related to the Congress than any other Government agency.

Mr. TABER. It is required to perform certain functions for the Congress on the request of the Congress.

Mr. CRAWFORD. Do I understand, then, that the published organization charts lead the people who use these manuals to believe that the General Accounting Office is directly responsible to the Chief Executive and an agency of the executive branch of our Government?

Mr. TABER. That is what this document put out by the Office of Government Reports attempts to do.

[Here the gavel fell.]

Mr. FITZPATRICK. Mr. Chairman, I yield 15 minutes to the gentleman from Georgia [Mr. RAMSPECK].

Mr. RAMSPECK. Mr. Chairman, this week we are celebrating throughout the country the fifty-seventh anniversary of the enactment of the civil-service law, which became effective on January 16, 1883. This act has remained on the statute books with no radical changes during this entire period of 57 years. It confers upon the Commission, composed of three persons appointed by the President and confirmed by the Senate, authority to make rules and regulations, to be approved by the President, dealing with the personnel problems of our Federal Government to the extent that the act covers this problem.

There are many misconceptions about the civil service. Many of the failures of administrators in the executive department and many of the happenings there which bring complaint to Members of Congress are blamed upon the civil service without reason, and, in fact, many are matters over which the Civil Service Commission has no authority and is helpless to remedy. We had here on the floor the other day a complaint from one of our colleagues from Tennessee with reference to a thing that happened to him; but that was not an agency covered by the civil service. I speak of that, not for the purpose of getting into any discussion about that particular incident but to show that many of the complaints which come to Members of Congress and many of the irritations they suffer arise in agencies that civil service has nothing to do with and whose employees are selected without regard to the Civil Service Act. There is an erroneous opinion that civil-service employees have life tenure of office.

Nothing could be farther from the truth. Recently one of the Cabinet officers complained of a "clique of civil-service" employees interfering with the operation of the Bureau of Mines and said he could not discharge them without giving them a trial. He simply did not know the civil-service law, or its rules and regulations, because all he had to do, if any employee under civil service had been insubordinate or had failed in any respect to discharge his duties satisfactorily, was to give the employee the charges in writing, give him a reasonable time in which to reply, and then discharge that employee. The employee has no right of trial, he has no place to appeal, and the Cabinet officer is the judge, jury, and "executioner," as one of our circuit courts recently stated with regard to one of the agencies of our Government. As a matter of fact, it is oftentimes easier to discharge a civil-service employee for just cause than it is to discharge a patronage employee who has strong political backing.

What I want to do here this afternoon is to call the attention of the Members of Congress to the vast proportions to which our personnel problem in the Federal service and throughout the Nation has grown. When the act was originally passed in 1883, it covered less than 25,000 employees. Today we have in the Federal service more than 900,000 civil employees and the pay roll amounts to approximately one and one-half billion dollars annually. It is the largest single item in the normal cost of operating the Federal Government, and I state without fear of contradiction that the payment for personnel services of public employees takes up the largest single proportion of the tax dollar in not only the Federal Government but in State and local governments as well.

Today we have more than 640,000 Federal employees under the civil-service law. It is the largest number that has ever been covered by the merit system, although the percentage of the total number of employees in the Government service today covered by the act is less than it was 7 or 8 years ago, due to the fact that we have created numerous agencies and provided by law that the employees shall be appointed without regard to the civil service.

There is one thing I want to point out about the present number of Federal employees. On November 11, 1918, during the World War we had 918,000 civil employees, which at that time amounted to nine-tenths percent of the total population, and while we have as many employees as that today in the Federal service it amounts to only six-tenths percent of the population of the United States. So, as a matter of fact, while we have largely increased the personnel of the Federal Government, we have not increased the number of

employees in proportion to the increase in population of the United States.

The total public servants of this country, National, State, and local now comprise over three and one-half million persons, and the total annual pay roll is in excess of $5,000,000,000. In a period of 6 years the number of public employees in the United States has increased over 16 percent and the total pay roll by almost 25 percent. In State and local governments the appropriations for personnel services make up from 30 to 50 percent of the annual budgets. Yet, only 16 of the 48 States operate under a civil-service law, while in some of these having civil-service laws on paper the merit system takes on more of form than of substance.

I am giving you these figures as to the large proportions to which the problem of public-employee administration has grown in the hope that in the future we may take a deeper interest in the proper selection of, and the proper plans for, promotion, transfer, and training of Federal employees. To my mind, the largest and most important single problem we have in the Federal service is how to select and how to deal with the more than 900,000 employees who today are administering the acts which Congress has passed.

You can pass the finest law the mind of man or woman can conceive, but if you turn over the administration of that act to incompetent, inefficient, or prejudiced or biased personnel, you are going to have rotten administration, and you will not get satisfactory results from the administration of the law. We hear a great deal of complaint these days about the administration of the National Labor Relations Act. My judgment—and my judgment is based upon a careful study of many of the cases that have come before that Board, and it is also based upon hearings covering a period of 12 weeks before the Committee on Labor—leads me to believe that 95 percent of the trouble with the National Labor Relations Act can be traced directly to personnel that were improperly selected, without adequate experience in the field in which they were to operate, and to the fact that in many instances they had preconceived ideas on how the act should be applied and what it should contain.

We are faced here today with a bill appropriating money for the Civil Service Commission and for certain other activities connected with this personnel problem. The subcommittee handling this bill has seen fit to deduct from the Budget estimates approximately $295,000. I am not here to criticize their action. I presume they did what they thought was right and proper. I am glad they gave the Commission an increase over the appropriation for last year, because it is a fact that the Civil Service Commission is faced with an unprecedented load of work due to the large number of applications for positions that they receive when examinations are announced. For instance, in the fiscal year 1932 applications received totaled 221,494, whereas in the fiscal year 1939 the applications numbered 718,178.

The Commission cannot do a good job, it cannot give satisfaction to the operating agencies of the Government, and it cannot be satisfactory to the Members of Congress, unless it has adequate finances and can have a staff equal to the work load which they face. Therefore, I am glad to see the committee give them an increase. I am sorry the committee did not see fit to give them the balance of what the Budget recommended, which related primarily to the personnel set-up which the President initiated in his Executive order of June 1938.

In the early days of this country we had a government devoted primarily to the protection of person and property. Today we have a government that is what you might call an administrative state. We have set up literally hundreds of new activities for the Federal government and dozens and dozens of new agencies whose duties are as foreign to the original concept of this Government as it existed more than 100 years ago as anything possibly could be.

They are not dealing with questions of property or the protection of life. They are rendering a direct service. Consider the Interstate Commerce Commission, the Federal Trade Commission, the Securities and Exchange Commission, and the Social Security Board. You find there new activities for which we must have trained and expert personnel, and we do not find that any outside agency sufficiently trains these persons to enable them to perform these new activities, the parallels of which do not exist in private employment. Therefore, many of the agencies have found it necessary to spend money on training employees after they have come into the Government employment. They have been doing that for several years.

The President visualized a personnel set-up with a Council on Personnel Administration for the purpose of drawing the personnel officers together for consultation in order that they might study the best plans in use in each agency for handling and training personnel, and in order that they might take the best plans, those that have been found most successful in a given agency, and apply them throughout the Government service on a uniform basis. Another thing this Council on Personnel Administration is doing is studying the problem of handling the grievances of employees and adjusting them without any expensive set-up and making the adjustment of them a uniform practice in all the agencies.

It was intended to set up what we call "in-service training," that is, training on the job, but I think unfortunately much misapprehension has arisen in the minds of the members of the Committee on Appropriations as to what was intended by the "in-service training" program. It is not proposed that they should go out and hire school teachers to come in and train Federal employees, but it was proposed and intended that employees working for the Government should receive training so that they might perform a better job in the occupation in which they were engaged, and so that they might be prepared for larger responsibilities in order that we might make the civil service more of a career service, so we might develop more men like Daniel W. Bell, who entered the Government service as a $700 a year clerk, and is now Under Secretary of the Treasury, and who is recognized by everyone who has had occasion to come in contact with him as one of the best qualified employees in the Federal service; in order that we might develop more men like William H. McReynolds, who is now one of the secretaries to the President, dealing with personnel matters; and in order that we might develop more men like E. K. Burlew, of the Department of the Interior.

[Here the gavel fell.]

Mr. FITZPATRICK. Mr. Chairman, I yield 3 additional minutes to the gentleman from Georgia.

Mr. REES of Kansas. Mr. Chairman, will the gentleman yield?

Mr. RAMSPECK. I yield to the gentleman from Kansas.

Mr. REES of Kansas. The gentleman called attention to the fact that the increase had been cut down by the Committee on Appropriations. As a matter of fact, they have made funds available to the extent of approximately $1,300,000 more than before, have they not?

Mr. RAMSPECK. As I understand, they have given them an increase of about $750,000 as compared with previous appropriations.

Mr. REES of Kansas. The gentleman called attention to the number of Federal employees during the World War, when Federal employment hit a peak of 918,000. Did not this number decrease during the years until about 6 or 7 years ago?

Mr. RAMSPECK. That is true, the number did go down for several years, but it started up before this administration came in office.

Mr. REES of Kansas. Tell us how many employees have been added since this administration came into power.

Mr. RAMSPECK. Several hundred thousand employees have been added.

Mr. REES of Kansas. That is correct.

Mr. RAMSPECK. Many of them have been outside the civil service. But we have also rendered a great deal more service to the people, I may say to the gentleman from Kansas, than did the previous administration.

Mr. REES of Kansas. The percentage of employees who are now under civil service is lower than it has been through the years.

Mr. RAMSPECK. I stated that, but I also made the statement, which the gentleman has overlooked, that we have more actual employees under civil service today than at any time in the history of the Government. We have not reduced the number in the civil service. We have created a lot of new ones outside, I will admit, and I am sorry that was done, but it was done by the Congress.

Mr. REES of Kansas. How many employees have been put in the civil service by the blanketing system during the last 2 or 3 years?

Mr. RAMSPECK. There has been none put in by blanketing. They had to take a noncompetitive examination. The gentleman's own party always blanketed them in without any examination at all, with one exception, as the records will show.

Mr. REES of Kansas. But the present Executive, during the last few years, has put something like 100,000 under civil service.

Mr. RAMSPECK. Yes; and I commend the President for that action, and I wish he could put the rest of them under civil service, but the Congress would have to give him that authority.

Mr. REES of Kansas. The gentleman would be in favor of putting them in without competitive examination?

Mr. RAMSPECK. Yes; without competitive examination, but with a noncompetitive examination, which is more than was done by the Republican administration which preceded this one.

Mr. REES of Kansas. Then the gentleman favors putting the rest of them under civil service without competitive examination; is that it?

Mr. RAMSPECK. Personally, if I could pass it, I would like to have competitive examinations, as the gentleman knows, being a member of my committee, but we cannot pass that sort of bill, and I would rather have them put in by noncompetitive examinations than to leave them out and have them subject to political handling.

Mrs. ROGERS of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. RAMSPECK. I yield to my colleague on the committee from Massachusetts.

Mrs. ROGERS of Massachusetts. The gentleman stated that the Republican administration always blanketed these people in without any examination. In the case of the inspectors on the Mexican border there was a provision for a noncompetitive test. Of course, the gentleman will recall that in the case of the prohibition unit there were noncompetitive examinations.

Mr. RAMSPECK. That was the one exception.

Mrs. ROGERS of Massachusetts. The gentleman will find there were other exceptions.

Mr. RAMSPECK. There was a reason for that. The agency had become such a stench in the nostrils of good government that they put the burden on the civil service of eliminating those that had to be thrown out, and it developed that about half of them had criminal records and were barred from taking the examination.

Mrs. ROGERS of Massachusetts. I think if the gentleman will examine the matter carefully today he will find certain postmasters and others now in the service that had been dishonest.

Mr. RAMSPECK. Of course, in 900,000 people you will find some, perhaps, who are dishonest, but I think the record of the postmasters under this administration has certainly never been equalled by those of any other administration. [Applause.]

Mr. Chairman, under the authority granted me to extend my remarks, I include the following excerpt from an article written by Ralph E. Turner, who is connected with the Social Security Board:

THE NEED FOR TRAINING

The need for the training of Government employees does not arise so much from their inability to perform the jobs to which they may be assigned as it does from the types of jobs which today constitute more and more the burden of Government work.

IN THE POLICE STATE

In ancient states government was mainly an instrument of exploitation, the institutional means of transferring wealth from groups not possessing political power to a group exercising political control through military dominance. In exploitive states the essential tasks of government were performed by arbitrary action supported by violence. Military training was the chief preparation for this kind of work. In modern western states, although the exploitive function has disappeared slowly, the chief task of government has been to protect wealth acquired in the competitive economy and to arbitrate the conflicting claims of individuals engaged in economic competition. In these passive policemen or arbitrative states, governmental action has been mainly legalistic in character; it has consisted of the judicial determination of right claims to wealth and the executive enforcement of such claims. The correlative circumstance was the policy of laissez faire, which denied the right of government to interfere in the competitive economic processes. Traditional attitudes surviving from these antecedent political organizations may obscure the conditions which are now important for the training of Government employees just as they confuse much thinking about governmental institutions and policies.

IN THE ADMINISTRATIVE STATE

The functions of government today have their origin in the cultural change which may be summarily described in phrases such as "the rise of democracy," "the advancement of science," "the elaboration of technology," and "the growth of social interdependence." In general the effect of these developments has been to expand the administrative action of government, indeed, to create the administrative state, which acts through the continuous performance of tasks that constitute services to the people. Clearly it is hardly possible to make science or technology function as services in the lives of persons merely by military, or judicial, or legislative action. Such actions may be required to support these services, but by themselves they cannot give the services which originated in science, or technology, or social cooperation, or any combination of the new developments. Social services can be instrumented only by administrative actions. Further, in addition to raising administrative action to a new prominence in government, these cultural advances have multiplied and are likely to increase further the kinds of services to be rendered through administrative action. The administrative state is still young and, therefore, growing.

From this circumstances arises the need for training of governmental employees: They must understand the types of services rendered by governmental action, the conditions which have led the people by democratic decision to establish the services, and the variety of actions which will give these services. Inasmuch as most of the services are new, there are no traditions to guide those individuals who are assigned to perform them; and although the general education of those assigned to perform them may be excellent, it has not equipped them for the performance of the particular acts which will give the services. Only by training which makes clear the significance of a particular job in the rendering of a service to the people and brings into the performance of the job that knowledge and those techniques which will give the service a quality as high as possible can the employee assigned to its function be brought to the proper efficiency. The employee requires orientation toward the social world where his job has significance in a concrete service and direction in the application of the knowledge which gives the service. Since neither traditional attitudes nor general education provides this orientation and this application, these results must be accomplished by training.

There recently appeared in the Washington Star the following recital relative to Daniel W. Bell, written by Raymond P. Brandt:

Until Daniel Wafena Bell, of Kinderhook, Ill., was promoted to the Under Secretaryship of the Treasury, the position had been filled by ambitious and comparatively young men who qualified politically under the Hamiltonian tradition of government by being "rich, well born, and able," whether they were Democrats or Republicans.

Mr. Bell, now No. 1 man in the classified civil service, is a different type of public official. During the last 28 years he has risen from a $700-a-year clerkship to the second highest office in the Treasury Department. He is a "career man" who has dedicated his life and his talents to the Government. He says he would rather have a $15,000-a-year Government salary than a $75,000-a-year business salary in New York.

Of his nine predecessors in the office of Under Secretary, five were graduates of Harvard College or the Harvard Law School, two were

graduates of Yale, one of Dartmouth, and one had been a student at Cornell. Two were elevated to the Secretaryship of the Treasury, one, the late S. Parker Gilbert, became a partner of J. P. Morgan & Co., and the remainder won substantial success in law or business.

EXPECTS TO STAY IN SERVICE

In 1911, when Mr. Bell was 20 years old, he arrived in Washington with a diploma from the Gem City Business College of Quincy, Ill., which certified to whom it might concern that he had completed the "full commercial" course, including bookkeeping, shorthand, and typing. He also had passed the civil-service examinations for clerk and bookkeeper. While in the Treasury Department he obtained a law degree from the National University and a degree of bachelor of commercial science from Southeastern University, where he specialized in higher mathematics. He expects to stay in Government work and if the Under Secretaryship reverts to its customary political status, he will return to a classified civil service position in the Treasury.

To the hundreds of thousands of employees in Federal, State, and municipal Governments who have been encouraged to believe in the merit system, Mr. Bell's recent promotion is a noteworthy—and needed—demonstration that the civil service offers outstanding careers to industrious, ambitious, and intelligent young persons. It also draws attention to some of the glaring deficiencies of the present law and the need of greater and more permanent incentives in the form of higher salaries and larger retirement benefits.

Mr. Bell's rise to high governmental position by the hard way of continuous work is not unprecedented. Elbert K. Burlew, who entered Government service in 1910, is now First Assistant Secretary of the Interior; William H. McReynolds, formerly of the Treasury Department, who entered the Post Office Department in 1906, is an administrative assistant to the President; George S. Messersmith, who started as American consul at Fort Erie, Canada, in 1914, was recently named American Ambassador to Cuba after serving as an Assistant Secretary of State; Wilbur J. Carr, former Assistant Secretary of State and Minister to Czechoslovakia, started his public service as a clerk in the State Department in 1892, and the late Alvey A. Adee became Second Assistant Secretary of State during a half century of service.

AN "INDEPENDENT" VOTER

When Mr. Bell's appointment was proudly announced at a press conference by President Roosevelt before Congress had convened, reporters, knowing the past political implications of the Under Secretaryship, tried to find out if he was a Democrat or Republican. He is an "independent" voter and is so registered in Illinois, where he has regularly voted. Not one of his ballots, he says, has been unscratched.

Mr. Bell regards his present post as one which will give him his greatest opportunity for service to the Government and the classified personnel. He knows the machinery of Federal Government as few other men have ever known it. He has rejected business offers of three to five times his present $10,000 salary, because he believes that by staying in the Government service he can raise the standards and increase the security of his fellow workers, thousands of whom he knows by name and by their accomplishments.

When he was commissioner of accounts and deposits, a position sometimes called the "greatest bookkeeping job in the Nation," he refused to accept President Roosevelt's proffered appointment to the directorship of the Budget, although his compensation would have increased from $8,500 to $10,000 a year. His reason was simple and sincere. He did not want to lose his civil-service status by taking what was essentially a political appointment. He became Acting Budget Director and continued supervising the work of the Division of Accounts and Deposits. As Acting Director he completely reorganized and enlarged the Bureau of the Budget to give it direct and intimate insight into the workings of all the executive departments of the Government. With this task almost completed, he turned his organization over to Budget Director Harold D. Smith, who is carrying out his detailed plans. Without losing his civil-service status, he became an assistant to Secretary Morgenthau, and he would not take the Under Secretaryship until he had been assured that his promotion did not jeopardize the classified standing for which he had worked for more than 25 years.

SEES SALARIES RISE

Mr. Bell has seen improvements in the civil service during his stay in Washington, and he believes other great changes are coming.

"For instance," he explains, "I came to Washington to a job paying $700 a year. That same beginner's position today pays at least $1,440. In those days even civil-service positions were greatly affected by changes in politics. When one administration went out, division chiefs were demoted to mere clerks and clerks were promoted to division chiefs. Thousands of lesser employees were let out to make places for political appointees. When the other party was returned to power, the shifts were reversed.

"Within the last 10 or 12 years only the top positions have been affected. Promotions have been made on merit. Salaries have been increased so there is less temptation for valuable men to take higher-paying business positions. Some of the very best men were lost annually that way.

"But there is still waste and insecurity because of politics. In this department there is every reason why deputy collectors of internal revenue should be given permanent civil-service standing. As it is now, we spend 4 to 8 years training these men and women, and when a new administration comes in out they go, with all their experience."

AGREES WITH PRESIDENT'S PLAN

Mr. Bell is in hearty accord with President Roosevelt's recommendations to Congress to raise the limits of classified compensation from the present $10,000 to a figure which will insure the retention of the relatively small number of highly trained men who hold positions of great responsibility. He likewise believes that eventually the pensions on retirement will be increased. In his own case he can retire under the present law when he is 68 years old, after 48 years' service, on a pension of $1,600 a year, to which he has made a 50 percent contribution. Any large financial establishment wanting to get an executive of Mr. Bell's ability could well afford to buy an annuity for triple this amount if it wanted to lure a highly trained person from the Government service.

When the President announced Mr. Bell's promotion, his immediate predecessor, John W. Hanes, urged Congress to make the position of Under Secretary permanent so long as it is held by the incoming Under Secretary.

Perhaps Mr. Bell's friend, Chairman PAT HARRISON, of the Senate Finance Committee, will sponsor such legislation. But Mr. Bell and others intensely interested in the civil service are expecting that the White House Commission, headed by Justice Stanley Reed, of the Supreme Court, will soon recommend that in every executive department now headed by a political appointee, the position of permanent under secretary be created, to be held by a nonpolitical civil servant who will serve through all administrations, as is now the general practice in the British Government. These permanent under secretaryships would insure a continuity of Federal policy which is now lacking. The Reed commission also is expected to support the President's recommendations for higher top-bracket civil-service compensation and more equitable retirement benefits.

Mr. Bell's career is a model of how an industrious, ambitious, and intelligent young man without political pull can attain one of these high positions.

His father was a farmer and thresher-machine owner, who later became a carpenter after he moved to the town of Kinderhook, with its population of 300. Daniel was the oldest son and the third child in a family of six children. None of his family, he says, had any inclination toward figures and he took the "full commercial course" at the Gem City Business College in nearby Quincy because he wanted to go west with a little business training. He earned the money for his schooling by working on the railroads and in the ice-cream parlor at Kinderhook

GOT $100 INCREASE

His first assignment was that of bookkeeper and clerk in the office of the Treasurer of the United States. The next year he was transferred to the office of the supervising architect at an increase of $100 a year.

The President and Mr. Morgenthau lost no opportunity to praise and advance this nonpolitical Government official. In 1935 it was found that he could be appointed an assistant to the Secretary at $10,000 a year and retain his civil-service classification. This was done, and he continued to act as Director of the Budget. After he had completed plans for reorganizing this Bureau and Mr. Smith was appointed Director, Mr. Bell was put in charge of the Department's fiscal operations and acted as a liaison officer between the Treasury and other branches of the Government.

Until he became Acting Budget Director Mr. Bell was not well known outside the Treasury Department. He was so self-effacing that he would not allow reporters to quote him even when he merely explained the daily Treasury statement for their benefit. With each increase of responsibility he has grown in confidence and praise, but he has retained the modesty and industry that have marked his career since he left Kinderhook.

There is herewith included an article written by Alfred Friendly, which recently appeared in the Washington Star:

Fifty-seven years ago Tuesday the Nation decided that there was a better way to choose its public servants than by appointing the ward heelers, friends, and family of the victorious political party. It sealed that decision by securing the passage of the Pendleton Act, organic law which set up the present civil-service system.

Begining today, a week-long celebration is in order for the anniversary of that legislation. And lest anyone claim that a week is too long a time to celebrate a single birthday party, let it be noted that the celebrant is an organization of more than 600,000 persons entitled at least to 7 days of jubilation.

Never has a birthday of the Pendleton Act dawned under such encouraging circumstances.

The Ramspeck bill, to bring under civil service the last great group of Government workers now exempt, has the best chance of passage of any time since it was first proposed.

The Civil Service Commission, hopelessly swamped in its necessary work by decades of congressional niggardliness, has an estimate on Capitol Hill for $1,000,000 more for its running expenses next year.

The Council of Personnel Administration, conceded to be a fine idea in theory, is living up to its expectation in practice.

President Roosevelt has named as his adviser on personnel affairs a man who is unchallenged for the title of the most accomplished

administrator in the Federal service and one of the keenest minds on personnel problems.

A Nation-wide resurgence of interest and support for the merit system has made its appearance.

MANY FORESEE DIFFICULTIES

Despite these encouraging auspices, the fifty-eighth year of the civil-service system may be one of the most difficult in its history.

It comes at a time of transition, when the negative aspects of the merit system battle—the fight against the spoilsman—are being converted into an even more difficult warfare—the establishment of a positive program to obtain for the Government and keep in its service the Nation's finest talent and capabilities.

There are many, however, who believe that much remains to be accomplished in putting the civil-service system on the right track. Sincere believers in merit rather than spoils, ardently interested in the problem of Government personnel, they are outspoken in criticism of the status quo and view the future through smoked glasses.

The basis of their argument—and it can be heard in a dozen different offices of a score of Federal agencies—is that the merit system advocates are still fighting a battle that has already been won. In other words, lances are still being raised against the evils of the spoils system, when the 57-year-old knight should be charging against a different citadel.

This, in brief, is the argument:

POLITICAL SPOILSMAN NO LONGER A TARGET

For all practical purposes, the spoilsman is dead. The Post Office Department, of course, still sends up to Capitol Hill the names of postmaster candidates for political clearance. One-third, approximately, of all Federal positions, including most of the top-ranking ones, are not under the competitive classified system. Now and again political pressure is exerted in the civil service itself.

But these situations are not nearly as serious as the weight in numbers would indicate. The fact is that, generally speaking, the political boss no longer stacks the Federal pay rolls. Federal Government jobs are no longer political booty in anything like the degree they were 60, 30, or even 10 years ago. Congressmen and political committees still try to place their ward heelers on the Federal pay roll, and still meet with some success. But the writing is on the wall and the momentum of merit-system support is not to be withstood. The era of "to victor belong the spoils" is in its twilight stages, and nothing can stop the coming of night.

According to the critics, the trouble is that few knives are being sharpened for the new battle—converting the civil-service system into a merit system under which the political hack is not merely barred from a Federal job but the best man among all others is actually chosen for it.

It is admitted that the trouble does not lie exclusively with the Civil Service Commission. It simply has never been given a chance to do anything but battle the spoilsman and make routine efforts to get nonpolitical personnel for the Government.

In this case the root of the evil is lack of money. The majority of Congress has not yet progressed to the stage of liking the agency which rotted the plums on its tree. It has therefore never given the Commission adequate funds. And the rest of the Government has, in the past, not fought with any noticeable valiance arm and arm along with the Commission.

The Commission's annual report, released a few days ago, told the story. In a nutshell, it is that the Commission is from 6 months to a year in arrears on its regular work of examining, investigating, grading, and hearing appeals. Snowed under with the deluge of its necessary routine work, it has had little time, and certainly no money, to take the steps necessary toward a positive personnel policy, toward fulfilling the function of a central recruiting and personnel agency, determined to get the best man into the Government service and develop his capabilities to the utmost.

On the other hand, it is not difficult to find those who have much to criticize in the Commission itself.

Their bill of particulars includes the charges that the Commission conceives of itself as the sole guardian of the merit system; that it is temperamentally inclined to view any suggestion for a change in procedure made by an outsider as an encroachment on its domain; that anyone who disagrees with the Commission's methods is a spoilsman, not honestly interested in the merit system.

The fact is, some honest merit system advocates insist, that the Commission has yet to develop a satisfactory examination method to select the most competent people for key executive, administrative, and nonscientific professional positions. Be it said, however, it is finally beginning to take promising experimental steps in this direction.

Nor has the Commission ever seriously attempted a thoroughgoing recruiting campaign. Its present policy of sending announcements of examinations to the press and posting them on post-office bulletin boards is admittedly less than adequate.

MUST COMPETE WITH PRIVATE INDUSTRY

The Commission is accused of showing professional jealousy in the framing and holding of its examinations, declining more often than not to let the agency for which the candidates are being examined have an adequate part in the whole procedure, from framing the questions to judging the results.

Finally, and this is the bitterest as well as the commonest complaint, the Commission has been too prone to consider itself a governmental Calpurnia, above reproach, and to answer criticism by the convenient method of ducking the issue and charging that the critic is a spoilsman.

Some other obvious difficulties in the year ahead:

With increasing improvement in national economic conditions, Government salaries will become steadily less alluring to qualified job hunters. The Government will have more and more difficulty in meeting the competition of private industry for the best lawyers, engineers, scientists, and administrators. A Government salary, in depression relatively high, so that it attracts the best man, induces only the second or third best in times of prosperity.

Increased emphasis on a national defense program is liable to result in neglect, both in thought and in money, to the Federal civil personnel picture.

Even with the addition of $10,000,000 to the Civil Service Commission's budget, it cannot possibly come abreast of its arrearages, meet new demands of the limited national emergency and still speed up its regular procedure to the point of ending widespread criticism by Government administrators that the civil service system is too slow to be practical. This feeling, as the commission is the first to admit, grows into a vicious circle, eventually resulting in a general condemnation of the merit system itself, and its steady sabotage.

This may, or may not, be the picture of the debit side of the ledger. On the credit side, however, there is no room for doubt.

It is a fact that the fifty-seventh year of the Federal Civil Service was one of the most successful in its history, and its fifty-eighth dawns with promising potentialities.

Here are a few of the tangible, important, forward steps taken in the Federal personnel system since this time last year:

President Roosevelt appointed, as his adviser on personnel affairs, William H. McReynolds, whose inaudible drawl hides as wise and knowing a mind and as prodigious an experience in administration and personnel matters as there is in the Government.

The President also appointed a Committee on Civil Service Improvement, consisting of seven sage and unbiased authorities, to give the merit system a much-needed overhauling "from keel to truck." Their report, expected within the month, should be a landmark in personnel philosophy.

The President created the Council of Personnel Administration, under the chairmanship of Frederick M. Davenport, to bring together for the first time more than a score of Federal personnel officers to lay out a modern program for employee relations.

The Civil Service Commission itself took the first step last year for a Government-wide program of in-service training and a uniform system of promotions. It also continued earlier tentative efforts to recruit well-trained personnel by "catching them early" with examinations of recent college graduates for junior professional positions. It conceives of these young men and women brought to the Government with a sound academic background as the nucleus of a professional career service.

GRIEVANCE MACHINERY TO BE SET UP

These developments of last year, however, are really just the seeds that promise to flower in the coming 12 months.

For the future, the Federal employee may look forward to the President's Committee report as setting up the basis for an employment system in the higher Federal brackets, comparable in fairness and open competitive characteristics to that which may obtain in the clerical grades, and which, at the same time, will not sacrifice quality at the expense of formula.

In this year also the Government worker may expect the pronouncement of a uniform, Government-wide departmental machinery for hearing grievances. This program is expected to be announced within a few weeks by the Council and the Commission. There is also a probability that it will be supplemented by a higher appeals court, set up by Congress. Hearings on the matter are expected this session before the House Civil Service Committee.

The first steps in providing a uniform plan for an equitable pay-raise program are expected to be outlined by the Budget Bureau within the next few months.

Further development of promotion-from-within programs and in-service training can be anticipated.

No summary of the civil-service system on its fifty-seventh birthday can be complete without the mention of the civil servants themselves. It is a fact—and will continue to be one—that achievements in improving the merit system have been and will be the direct result of pressure and agitation for them by the employees themselves.

They have been responsible for getting better wages, liberalized retirement provisions, shorter hours, and better working conditions. The eventual achievement of a complete promotion-from-within program, a workable appeals system, and a sound career service will be achieved eventually only because Federal workers will not rest until they have them.

Mr. CASE of South Dakota. Mr. Chairman, I yield 10 minutes to the gentleman from Minnesota [Mr. ALEXANDER].

Mr. ALEXANDER. Mr. Chairman, it seems to me as we approach these matters of appropriations we do more or less as I am doing right now as I hold this sheet too close to my eyes, and that is getting our problems right up too close

to our noses rather than getting them back away from us where we can read; where we can see what the problem really is. As I thumb through the pages of this bill, H. R. 7922, I ask myself the question, which no doubt many of you have asked yourselves, What benefit to the general public of the United States, our taxpayers, are a lot of these commissions, or what benefit are they to any of us, and why should we continue to spend these millions of dollars?

I want to point out two or three of them that I think we could well do without to a large degree, if not entirely, and thus save ourselves considerable millions of tax money. However, that is not the question we are discussing at all, it seems to me. We are not discussing the question of justification for these expenditures, of whether we can do away with these commissions by refusing to make any appropriations; it is, rather, how we can cut down the appropriations a few dollars, whereas we should be saving the whole sums in many cases.

Why not cut out a few of these commissions and administrative agencies which have been set up during the last fifty-odd years in this Nation, starting with the great Interstate Commerce Commission? Who of us would miss them, and how much would it affect the general welfare of the Nation?

I understand that in the last 7 years there have been 51 additional administrative agencies established, which are today legislating, interpreting, and determining rules of law and taking away from Congress its powers that were established under the Constitution.

Another matter of detail in connection with this problem of increasing taxation and increasing appropriations every year is that we lose sight of the fact that the Federal Government in appropriating money is only one of some 176,000 similar, if lesser, tax-appropriating or tax-creating and levying bodies throughout the Nation.

In other words, have we not gotten this thing up to the point where it is just too big, too cumbersome, to be practical? Why should we not start tearing this cumbersome thing apart, we, as Members of the House of Representatives, with the idea of getting rid of some of these things, instead of wondering how few dollars we can cut down their requests for appropriations?

As I said a moment ago, as I thumb through this bill I find here several commissions and boards that I believe we could well do without entirely in the economy of this Nation. For instance, here is the Federal Communications Commission asking for an appropriation of $2,116,340. Here is the Interstate Commerce Commission asking for an appropriation of $9,058,750. Here is the Tariff Board asking us for an appropriation of $920,000. Of what benefit are these commissions to any of us or to the people of the United States? What are they doing for the people to justify these expenditures?

Mr. COCHRAN. Mr. Chairman, will the gentleman yield?

Mr. ALEXANDER. I am sorry, but I have not the time.

Mr. COCHRAN. But the gentleman asked a question. The gentleman wants to know of what benefit they are.

Mr. ALEXANDER. I will tell the gentleman of what benefit they are. They are of benefit only to the members of the commissions and to the organizations they are set up to protect and promote the welfare of. That is all the benefit they are. They are of no benefit to the citizenry of this country in general, who are paying the taxes and putting up millions of dollars to support them. Of what benefit to us is the Interstate Commerce Commission? It is only of benefit to the railroads.

Mr. COCHRAN. Mr. Chairman, will the gentleman yield?

Mr. ALEXANDER. No; I cannot yield now. My time is too limited.

Mr. COCHRAN. But the gentleman has asked a question, and I would like to answer it.

Mr. ALEXANDER. I will answer it. Let me read this paragraph which I have here, taken from a recent speech delivered by Joseph B. Eastman, Chairman of the Interstate Commerce Commission; and I ask the gentleman to carefully mark these lines. I quote Mr. Eastman:

> The old purpose of regulation, when it was first instituted, was, I think, protection of the patrons of the railroad.

Sure! Away back in 1887 that was the idea that we had in mind when we set up the Interstate Commerce Commission—protection of the patrons, small-business men, and weaker railroads. I go on and quote Mr. Eastman, as follows:

> That has changed. Now the purpose which is practically paramount is the protection of the carriers—the utility.

This is taken from an address by Mr. Eastman before the New England Shippers' Advisory Board at Burlington, Vt., and is reported in Railroad Data, volume 17, No. 20, of December 29, 1939, at page 41.

Mr. BULWINKLE. Mr. Chairman, will the gentleman yield?

Mr. ALEXANDER. I am sorry, I cannot yield.

Mr. BULWINKLE. I want to ask the gentleman a question.

The CHAIRMAN. The gentleman from Minnesota declines to yield.

Mr. ALEXANDER. I suggest this: If you and I are members of any particular professional or trade organization or commercial body, what do we do? For instance, take the owners of large office buildings, real-estate owners. What do they do? Also other organizations, such as the coal men, labor unions, dentists, and the doctors, and all of the other trade and professional groups.

Have they come here and asked Congress to set up an organization and have they asked for millions of dollars to operate their trade organizations as the railroads and the radio and the other communicating agencies of this Nation have done? No, they have set up their own trade associations, and they have assessed their members for the costs of operating same. In view of the fact just quoted from Chairman Eastman's speech, protection of the carriers being paramount, why not do the same thing in connection with the railroads? We could save over $9,000,000, a nice saving, by letting the railroads pay the cost of their trade organization, the Interstate Commerce Commission. What good is the Interstate Commerce Commission to anybody except to the railroads? I cannot seem to find that anybody, even some of the railroads, are getting much benefit out of it. If I am to read correctly from this annual report of November 1, 1939, from the Interstate Commerce Commission itself, here is what I find in this interesting document: Here is a 10-year report on debts. The debt in 1928 of the railroads was $12,303,510,000 and in 1938, last year, under this report, as here recorded, the debt is $12,373,685,000, including $733,778,000 of defaulted debts, or an increase of over $70,000,000 in that indebtedness under the magnificent supervision and control and operation jointly of the Interstate Commerce Commission and high-salaried railroad executives. What do we find with reference to the stock of the railroads? In 1928 the capital stock in the railroads amounted to $9,722,078,000 and in 1938, 10 years later, the stock issued and outstanding by the railroads amounted to $9,788,413,000, or an increase of sixty-six-million-odd dollars during that 10-year period instead of paying up and retiring their stock issues. Is there any improvement in the situation of the railroads under the benign operation and influence of this Interstate Commerce Commission? I contend that no benefit is being derived by either the people or by the railroads; but if the railroads want this Interstate Commerce Commission, if these other trade groups want these commissions, why not throw them onto them and let them pay the cost; let them assess themselves the cost and not put the cost of these millions on the general public that has no great interest except incidentally in many of these groups.

As I go into this matter I find we the people have to pay the cost in connection with the Interstate Commerce Commission operation of the railroads. Many of the railroad boys, especially the presidents, are receiving high salaries.

If we are going to pay a commission to operate the railroads, as the I. C. C. is, why pay these railroad executives the high salaries that are being paid to them? I think it would be much better to either do one thing or the other—either have complete Government control or none. If we the people are going to put out money for a Government-supported institution, the Interstate Commerce Commission, to operate the railroads, why not take over the railroads? We could save in that way the dividends to the stockholders which amount, in some cases, according to information I have just received, to $10 a share, and the average yield on stock, according to information that I have here, was 6.7 percent. For 1938 it was 4.34, according to this I. C. C. report. We could also save in the money we are borrowing for the railroads on this $12,373,685,000 debt that I just mentioned. They are paying an average of some 5.41 percent for the money they are borrowing, or at least railroad bonds are yielding that percentage of earnings for their holders. We could save a lot of money if we would take over the railroads, for by assuming their debts the Government could borrow the money for much less. As a governmental proposition I understand we are only paying 2.6 percent for the money we are borrowing today. Is it not common sense that we do a few of these things and cut out this tremendous expense for dividends, interest, and salaries which, in the latter case, is duplication? We are paying railroad executives for holding down an easy chair and we are paying the Interstate Commerce Commission to tell them how to hold down that easy chair. Let us get busy on this thing and not look at these things with the book too close to our eyes. Let us say, "What good are these commissions?" and if they are no good to the general public, throw out the entire appropriation. [Applause.]

[Here the gavel fell.]

Mr. WOODRUM of Virginia. Mr. Chairman, I yield 10 minutes to the gentleman from Missouri [Mr. COCHRAN].

Mr. COCHRAN. Mr. Chairman, yesterday during the remarks of the gentleman from Virginia [Mr. WOODRUM], I discussed an appropriation for a building for the General Accounting Office recommended by the Bureau of the Budget. I regret to find myself in disagreement with the committee, but I know that what I have to say now will not be beneficial insofar as this bill is concerned, but I want to tell the Members of the House something in relation to the housing situation that affects the General Accounting Office today.

Their activities are scattered in 15 different places in the District of Columbia. The main office is in the old Pension Building. I do not know who designed the old Pension Building nor why it was designed in such a way, but if it is to be used to house Government agencies, it should be remodeled.

The General Accounting Office is now paying $169,026 annually for rent. Some of the places rented are old stables and garages, where records are kept. It is costing $129,400 to maintain the properties that they rent, or a total of $298,426 annually. The Comptroller General, who is the head of the General Accounting Office, says that as long as the situation now existing prevails it is impossible for him to coordinate the activities of the Office or to increase the efficiency of the personnel. The fact that the offices are scattered all over the city of Washington means additional expense for personnel; also the work is slowed up.

Every claim filed against the Government in courts, in departments, and by individuals must be answered by the records of the Government in possession of the General Accounting Office. The records of the General Accounting Office can never be placed in The Archives Building, because they are being used from day to day. Claims a hundred years old are almost a weekly occurrence. Now, just imagine what will happen if those records are destroyed by fire or water. Practically 85 percent of the claims against the Government the General Accounting Office is able to defeat. On thousands and thousands of claims they will find the voucher where the money claimed has been paid. Some relative of a former soldier, some relative of a former contractor will make a claim. They go and consult the old records, and their decision is based upon their findings. They also supply the Attorney General with records to use in the courts in suits against the Government. They also supply the Attorney General with records on the many bills that we pass here, certifying claims to the Court of Claims.

All that Members of Congress have to do, in order to get a real picture of this situation, is to get the Annual Report of the Comptroller General for this year, turn to page 81, and read what he has to say. Then get in your automobile and drive around to the various places as I have and see for yourselves where the valuable records of the Government are stored. I will go further and say "the most valuable records that the Government has." The money we are paying out every year in rental and maintenance for the rented buildings is far more than sufficient to pay the interest on the money that would be necessary to build a proper place to house this permanent agency. When I say "permanent" I mean permanent, because it is one agency of the Government that will never be destroyed. Nearly all of the other agencies and departments have been taken care of. The General Accounting Office, as I told the gentleman from New York [Mr. TABER] today, is more closely related to the Congress of the United States than any other Government agency. Still we have never taken care of it by providing for a proper building.

You talk about self-liquidating projects. If we can borrow the money to build a building for less than the annual rental that we are paying, it looks to me like it is good business to do so. In time it would be a self-liquidating project. I am not asking the committee to build one of the marble palaces. I have never approved of some of the buildings that have been constructed in Washington. I think on some we went too far. Put up a real substantial concrete building, some place down by the Procurement Division, or any other section where land values are not too high. That is all that is necessary for this agency.

Look at the Procurement Division Building. That is not a bad looking place. It is not marble. It is not limestone. It is concrete. The Navy workshop up on Constitution Avenue and the Munitions Building on Constitution Avenue are not marble or limestone. They are concrete and brick. They are fireproof and afford a healthy place for personnel to work. The Secretary of the Navy and the Secretary of War do just as good work in a concrete building as they would in a marble structure. I am not asking for the full appropriation. I do want to see a start because, as I said yesterday, hundreds of millions of dollars in records might be lost in event of fire.

I yield to the gentleman from Kentucky.

Mr. MAY. Permit me to say to the gentleman from Missouri that I have been sponsoring building, and my committee passed legislation to authorize the reconstruction of the Army Medical Library Building, that is now 132 years old, a building where there is no fire protection for the most valuable collection of medical authorities on the face of the earth. I have hesitated, on account of economy and a few other things in which I believe—hesitated to urge that, and I have not even been before the Appropriations Committee on it. I would, however, like to suggest to the gentleman that the proper solution to the problem is not to build some kind of building as large as the Social Security Building, or warehouse construction of any kind to house these records. The thing to do is to cut out a lot of the agencies that make the records which have to be stored.

Mr. COCHRAN. Is the gentleman going to offer some amendments to the bill to cut out some of the agencies that he feels are useless? We hear a lot of talk about economy but see little action from those who talk. We heard the gentleman from Minnesota a moment ago state that the Interstate Commerce Commission should be abolished, that it is useless; that the Communications Commission is useless; that the Tariff Commission is useless. Did you ever hear a more silly

statement in your life? Anybody who knows anything about the Interstate Commerce Commission or the Communications Commission or the Tariff Commission knows they are an absolute necessity. What would happen if you repealed all laws affecting communications in this country and destroyed the Communications Commission? Just imagine what would happen. Everybody would use any radio wave length he wanted, there would be no regulation of radio, no regulation of communications of any kind whatsoever. If you destroy the Interstate Commerce Commission what are you going to do with the rate-making powers? Would you turn them back to the States again? What will you do with the regulation of transportation?

Mr. ALEXANDER. No; let them regulate themselves.

Mr. COCHRAN. The Interstate Commerce Commission was delegated by the Congress of the United States power to make rates and to regulate transportation.

The gentleman's suggestion is in the same class with his original statement. If you destroy them, how can they even regulate themselves? Let the gentleman offer an amendment to destroy them and see how many votes he will get.

I appeal to the committee to inspect the buildings where the General Accounting Office is housed, and if you do you will bring in an appropriation to build their building. Act before it is too late. [Applause.]

[Here the gavel fell.]

Mr. CASE of South Dakota. Mr. Chairman, I yield myself 15 minutes.

Mr. Chairman, the bill has been well covered by other members of the Committee. I merely wish to call attention to some information carried in the hearings on the estimates and possibly point to a few steps that Congress could well take in the hope of making some of the savings we hear so much about. The printed hearings are in two volumes. The Federal Loan Agency, the Federal Works Agency, and the Tennessee Valley Authority are in part II, the several other activities in part I.

When I hear this discussion about cutting and Budget balancing, I am reminded of a story that is told by Ote Anderson, chairman of the State barbers' board in my home State. Ote's favorite story is of a customer who came into his shop one day, slumped into the chair but kept his hat on. Ote said to him, "Want a haircut?"

"Yep."

"Would you mind removing your hat?"

"Nope, keep it on."

And with that the customer pulled his hat down a little further.

"O. K.," says Ote, "the customer is always right," and proceeded to give him a haircut without removing his hat.

My observation is that the Government has too many customers who talk of haircuts but want to keep their own hats on and have the trimming done somewhere else—any place other than on their private "dome" or their private domain.

The hearings on the independent offices bill are an amazing encyclopedia of governmental activities. I want to call your attention to a few of the agencies covered. Any Member of the House can run through these hearings with profit to himself both for the information that they give as to the ramifications of Government and also for specific information with reference to activities and the answering of questions that come across every Member's desk.

CIVIL AERONAUTICS AUTHORITY AND AIR SAFETY

Little has been said in the debate thus far about the work of the Civil Aeronautics Authority. You will find many pages of the hearings devoted to the interesting work of this agency, so important at this time in our national life. I want especially to call your attention to the safety record that has been established in passenger travel.

In the 4 years from July 1, 1934, to July 31, 1938, there was 1 passenger fatality for every 12,754 passenger-miles, but in the 17½ months following July 1, 1938, there was only 1 passenger fatality for every 78,368,315 passenger-miles. I believe every Member of Congress is entitled to take some feeling of pride in the accomplishments that have been made in the improvement of the safety record of the airlines of the country. In 8 months and 20 days between March 26 and December 15 the domestic air lines carried 1,500,000 passengers and amassed a total of 598,000,000 passenger-miles without an accident that resulted in an injury.

This is a remarkable record, and some of the credit should go to the work of the Civil Aeronautics Authority. Some of you will be interested in the statistics and the data given on civilian pilot training in the hearings.

Mr. HARE. Mr. Chairman, will the gentleman yield?

Mr. CASE of South Dakota. I yield.

Mr. HARE. Does the gentleman have similar information with reference to fatalities and mileage on other transportation facilities that would be comparable to this?

Mr. CASE of South Dakota. I think we asked some questions in the hearing with regard to the effect on insurance rates, and an encouraging statement was given on that particular point.

PAYMENT FOR VETERANS' HOSPITAL BEDS

Yesterday, during the discussion of the Veterans' Administration, a question was raised with regard to the beds in the Veterans' Administration hospitals used for people who are not veterans; that is, enrollees of the Civilian Conservation Corps and other Government patients. The question was asked whether or not the Veterans' Administration is reimbursed for all of the beds so used.

This morning, to be sure on the point, I called the Veterans' Administration and talked with Colonel Ijams, the Assistant Admininstrator, and he assured me that there is a reciprocal agreement among the several Government agencies, the Army, Navy, Marine Corps, and the Veterans' Administration, for payment covering the patients of their respective responsibilities hospitalized in any institution related to any of those agencies. Only one or two agencies are not covered in this agreement. At the present time the rate of reimbursement is $3.75 per day. That is gone over and fixed each year by the Federal Board of Hospitalization.

However, veterans are always given preference, and Colonel Ijams said there was no known emergency veteran's case on a waiting list at this time. The Veterans' Administration section of the subcommittee hearings gives much additional information to anyone who is interested in the welfare of the veterans.

STATISTICS ON TRADE AGREEMENTS

Mr. Chairman, there is also a section devoted to the Tariff Commission. Those Members who are interested in the problem which will confront this Congress with reference to the proposal to extend the Reciprocal Trade Agreements Act will find a wealth of material in that particular section of the hearings. You will find a list of the several trade agreements in existence at the present time, the date on which they were placed in operation, the terms of their expiration.

To those of you who have been interested in trying to establish the principle of cost of production as a gage for a proper tariff rate, I call your attention to the testimony of Mr. Ryder, given at pages 484 and 485 of the hearings. When that question was put to him, Mr. Ryder answered:

> If you want to take into consideration the cost of production and attempt to make the tariff protect that larger cost of domestic production, it is a good way of abolishing the trade agreements.

I commend that to the attention of those who say they want to protect the domestic cost of production and also want to extend the trade-agreements program on its present basis. Mr. Ryder says it cannot be done.

Permit me to make an observation at this point. We hear a great deal of talk about totalitarian governments in the world today. It seems to me a perfectly foolish proposition that we should be condemning totalitarian governments while at the same time in this country we give more authority to bureaus and boards. That certainly is a step away from rep-

resentative government. The times challenge this Congress to put the Government of the United States back into the hands of the people and their elected representatives. Every time we delegate these powers to bureaus or agencies and surrender the right to review the findings, we are destroying representative government.

PUBLIC ROADS AND PUBLIC BUILDINGS

You will find in our hearings two agencies that have not been in the independent offices hearings before. One is Public Roads and the other is Public Buildings, both now in the Federal Works Agency.

Formerly the Public Roads hearings appeared in the report of the appropriations subcommittee for the Department of Agriculture. Public Buildings appeared in the Treasury and Post Office Departments appropriation hearings. Those of you who are interested in post-office buildings in your district will find information of interest in the hearings under the general heading of "Federal Works Agency."

The gentleman from Missouri [Mr. COCHRAN], who spoke just before I took the floor, made a plea for buildings in the District of Columbia. The subcommittee was unwilling to put into this bill a proposal to start a twenty-four or twenty-five million dollar building program in the District of Columbia when there were no estimates for an equally needed public-building program throughout the country. More than that, some of us had a distinct feeling that a survey should be made of the buildings within the District of Columbia to see if space could not be found to assign to some of the agencies now in rented buildings.

MOUNTING CIVIL-SERVICE COSTS

You have heard a discussion this afternoon of the action of the committee relative to the Civil Service Commission. It is true that the committee denied about a quarter of a million dollars of the recommended increase for the Civil Service Commission, but I call your attention to the fact that the appropriation for the Civil Service Commission in 6 years has multiplied five times. In 1934 the appropriation for the Civil Service Commission was $1,028,000. The request for 1941 was $5,295,000. It is true that from the standpoint of the work of the Commission there is some justification for an increase, and the committee did give it about three-quarters of the million-dollar increase requested.

Let me call attention to some startling figures brought out before the subcommittee. Today the Civil Service Commission is behind in its work to the extent of 384,000 examination papers that have to be graded. It is behind in its work to the extent of 186,000 applications to be reviewed. This takes on some meaning when you realize that the 384,000 papers to be graded exceed the total number of papers graded in the last fiscal year. The total number of papers graded in the last fiscal year was 361,000. So that the Civil Service Commission is more than a year behind in the grading of papers, in spite of the increases that have been given that Commission.

In addition to that the increase in the number of applications creates a cycle of increased burden, so to speak. The more papers to grade, the more the examiners get behind. The more they get behind, the more the requests for an explanation of delay. Members of Congress no doubt have received many requests from constituents who want to know when the examination grades will be announced for the position of lay inspector. There were 240,000 examination applicants for the position of lay inspector; in other words, two-thirds of the entire examination load of the Civil Service Commission for a year could be taken for grading those papers alone.

The committee gave considerable attention to this problem. We found that many States and many cities operating a merit system charge a small examining fee. This has two values: It yields some revenue, not enough, probably, to cover the cost of giving the examinations, but it yields some revenue, and it does tend to reduce the number of applicants for some of the examinations. One of the cities reported that a small fee reduces the load by eliminating the curiosity seekers and what was termed fly-by-night applicants. Tables in the hearings give the experience of several cities and several States.

Personally, I think that a 25-cent fee on simple examinations, and $1 on technical or professional papers would yield $100,000 in revenue annually, and save twice that in reducing the handling load.

It was suggested that the Committee on Appropriations might consider trying to do something about that problem in the appropriations bill. On the other hand, it was felt that it was properly legislation. As one Member, at least, of the subcommittee I hope that the Civil Service Committees of the House and the Senate will propose legislation on the subject. It is all very well when this load accumulates to come before the Committee on Appropriations and say, "We must have increased appropriations because of this increased load," but it would be better to see if something cannot be done to reduce this load.

SAVINGS BY REASSIGNING SPACE

I referred a few minutes ago to the possibility of reducing the building and rental load in the District of Columbia by a survey of the available space in the District. In spite of all the reorganization economies that were promised practically every agency asked for more money.

[Here the gavel fell.]

Mr. DIRKSEN. Mr. Chairman, I yield 10 additional minutes to the gentleman from South Dakota.

Mr. CASE of South Dakota. It was amusing also to find that some of the transferred agencies could not be housed by the agency to which they were transferred. They were like orphan chickens, so to speak. An example of this was the Bureau of Biological Survey, which was transferred from the Department of Agriculture to the Department of the Interior. We have a magnificent new Department of the Interior building down here, and we also have the old Interior building, and yet we were asked to make an appropriation for an increased rental allowance in the District of Columbia so the Bureau of Biological Survey could be housed in rented quarters.

In fact, evidence before the committee revealed an increase in the rental appropriations in the District of Columbia of over 20 percent in 2 years, in spite of all the new buildings. Demands for new furniture and more space, in spite of all the talk about economies to come from reorganization and consolidations. Therefore, it seemed to us that someone should have authority to do something about this problem.

We asked the Administrator of the new Federal Works Agency and members of his staff with respect to this subject. Testimony indicated that if one agency in the Government was empowered to have custody over all public buildings in the District of Columbia and authority to assign the space and the furniture properly, important savings could be made. We asked for appropriate language to put in the bill as a limitation on the appropriations. However, the language suggested was so patently legislation that we did not incorporate it in the bill. You will find the suggestion on pages 1340 and 1341 of the hearings.

The language suggested should be introduced as a bill and considered by the appropriate legislative committee. Personally I believe we can save real money by giving one agency authority over the furniture and the space in buildings in the District of Columbia.

Mr. HOFFMAN. Mr. Chairman, will the gentleman yield?

Mr. CASE of South Dakota. I yield briefly to the gentleman from Michigan.

Mr. HOFFMAN. If there is to be another agency for that purpose, would it be made up of persons already in the Government employ or would they be new officers?

Mr. CASE of South Dakota. This proposal was to give the authority to the Federal Works Agency, already in existence, which is charged with the responsibility of proposing the construction of new buildings.

Mr. HOFFMAN. This will just let some of the Federal employees do more work along that line?

Mr. CASE of South Dakota. The gentleman is correct.

Mr. HOFFMAN. That will be good.

LIMITING UNITED STATES HOUSING ADMINISTRATION'S PUBLICITY FUNDS

Mr. CASE of South Dakota. I wish to mention the United States Housing Authority. You will find in the bill before you a proviso that may possibly be misunderstood. It is the proviso on page 49 that expenditures for the informational service of the United States Housing Authority shall not exceed $152,000. This proviso will be difficult to understand unless you know that this agency came before the subcommittee with a supposed justification for spending $227,000 in its informational service. The proviso is a limitation, not an authorization; a restriction, not a permission. U. S. H. A.'s far-flung informational activities embrace a coordination section, a press-service section, an editorial section, an information section, an exhibit section, and a motion-picture and radio section. All these to tell the people of the country how they can avail themselves of subsidized housing. In other words, we were asked to authorize the appropriation of nearly a quarter of a million dollars so that the Santa Claus housing program could be sold to the country. Remember that the taxpayers provide a Federal subsidy that takes care of the principal cost of this building and housing program.

Mr. SMITH of Ohio. Mr. Chairman, will the gentleman yield?

Mr. CASE of South Dakota. I yield to the gentleman from Ohio.

Mr. SMITH of Ohio. Why should the United States Housing Authority be granted one single penny for this sort of propaganda?

I happen to be familiar with this propaganda, and I would like to know why they should have one nickel to spend for it.

Mr. CASE of South Dakota. I may say to the gentleman that, personally, I tried to go further in the subcommittee, but the only agreement we could reach was to reduce the amount by $75,000; and, remember, if we had not put in this proviso, the agency would be spending $227,000 for this purpose next year.

EMPHASIS ON CITIZENSHIP

I also want to call your attention to one further proviso in the section relating to the United States Housing Authority. Some of you may recall that when the Housing Authority bill was passed in 1937 I offered an amendment to provide that in the assignment of the housing facilities to be provided preference should be given families of citizens of the United States. No one could justify taxing citizens living in $1,500 houses to provide $6,000 houses for families of people who were not citizens. The amendment was adopted by the House but went out when the bill went to conference. Members of the House who were interested at that time will be glad to see a proviso which the subcommittee wrote into this appropriation bill. On page 50 you will find it—

> That, except for payments required on contracts entered into prior to the date of enactment of this act, no part of this appropriation shall be available for payment to any public-housing agency for expenditure in connection with any low-rent housing project, any portion of which is occupied by any person other than a citizen of the United States.

The committee went further in its emphasis upon Americanism in this particular bill, for on page 78 you will find section 4, which provides:

> No part of any appropriation contained in this act or authorized hereby to be expended shall be used to pay the compensation of any officer or employee of the Government of the United States, or of any agency the majority of the stock of which is owned by the Government of the United States, whose post of duty is in continental United States unless such person is a citizen of the United States, or a person in the service of the United States on the date of the approval of this act who being eligible for citizenship has filed a declaration of intention to become a citizen or who owes allegiance to the United States.

I do not believe there will be any quarrel on the part of any Member of the House in connection with these provisos. We have had a good deal of discussion about Americanism during the past year, and this bill comes to you with two provisos in it at least that attempt to translate that sentiment into action. [Applause.]

[Here the gavel fell.]

Mr. FITZPATRICK. Mr. Chairman, I yield 5 minutes to the gentleman from California [Mr. VOORHIS].

Mr. VOORHIS of California. Mr. Chairman, we have before us here a bill containing a variety of items, many of which have been cut by the committee. I want to say that wherever it is possible to reduce the overhead expenses of government or to eliminate any functions not really essential I am for doing so. I do not propose to address myself in these few moments to any of those specific items, or even particularly to this bill, but I do want to point out one or two basic things.

Up to this time we have not done anything to put on a workable, scientific basis the monetary system of the United States. We do not have a means yet whereby the increase in the Nation's wealth and the Nation's capacity to produce goods will be adequately translated into an increased volume of active consumer purchasing power, which to my mind is the central problem we face; and because that is true, it has therefore been also true that to the extent that savings were made out of the current income distributed by industry and agriculture to our people, to that same extent we have found a failure of market demand to be able to take the goods off of the shelves and the crops off of the farms at decent prices.

The real reason for Government expenditures or the real economic basis for Government expenditures has been to compensate for the failure of savings promptly to be invested. The real reason that they are not promptly invested, of course, is that people are afraid it will not be profitable to do so, and the basic reason they are afraid of that is because of the fact they are afraid that goods produced by the new capital created will not find an adequate consumer demand.

Now, the main thing I want to say right now is this: When we come a little bit later in this session to a consideration, which I am afraid will be all too brief, of the unemployment problem still existing in the United States, I hope we will remember one or two things. I hope we will remember the factors I have just spoken of and I hope we will remember also that to the extent, under our present monetary system, that private debt is not contracted, either you suffer a net deficiency of the medium of exchange in circulation or else Government debt must be increased. I do not believe that is right, or that it should be the case, but it is the present situation, and to fail to supply active consumer-buying power in some manner is as certain as the sun rises to lead to bankruptcies and a worse depression.

Mr. CASE of South Dakota. Mr. Chairman, will the gentleman yield?

Mr. VOORHIS of California. In just a moment.

Therefore, when the time comes to consider the matter of public works or other matters having to do with employment of the unemployed, I want to state now that I feel that what is done about that should be done on the basis of what the national need is; first, the need of our people who are unemployed, and, second, the need of the national economy as a whole.

I am frank to say that I do not believe the Budget figures suggested for employment items is enough. I do not believe employment is going to be stimulated to any considerable extent by national defense expenditures such as are proposed to be increased. I do not mean that I am against such expenditures for national defense, as may be required at this time, but I think it must be recognized that they will not provide anything like the same volume of employment as certain other types of expenditure will. This is not just a question of W. P. A., though this year, once again, it will probably be our main reliance. For my part I would like to see a bill brought in which would give us a long-range program of public works which could be opened up as needed

in accordance with the amount of unemployment. Above all things we need a consistent program for reemployment, and until we have something better, Mr. Chairman, we have no logical answer to our people except the programs used in the past few years.

[Here the gavel fell.]

Mr. FITZPATRICK. Mr. Chairman, I yield 2 minutes more to the gentleman from California.

Mr. VOORHIS of California. Mr. Chairman, we have no logical answer to our people except to say that we propose to see to it that all the people are busy producing real, worthwhile things in this country, and that they are not maintained in idleness.

Mr. PATMAN rose.

Mr. VOORHIS of California. I am in duty bound to yield first to the gentleman from South Dakota.

Mr. CASE of South Dakota. Mr. Chairman, does the gentleman think that this increased buying power is better produced by private activity or by Government expenditure?

Mr. VOORHIS of California. I would rather see everybody in the country employed in private industry, if possible, but I point out that, although our production has increased up to or beyond the 1929 level, employment has increased only about one-quarter as fast as production, and I submit that that is evidence of the fact that you have to take some action in this field of the relationship between the producing power of the country and the consuming power of its people.

Mr. CASE of South Dakota. Has the gentleman ever seen any evidence of any particular effect by Government expenditure except a depressing effect upon private industry?

Mr. VOORHIS of California. On the contrary, the worst effect that was ever gotten since I have been a Member of Congress was in 1937, when a sharp reduction was made in the expenditures for employment of unemployed people, and it was not 6 months before we had the sharpest decline in the business of the country that the country has ever experienced. In addition to that there were certain factors connected with social security, but the basic reason for the slump was the sudden reduction in the amount Government had been feeding into the income stream. This, of course, offered no permanent solution by itself, but if the method is to be used at all it should be used vigorously enough to actually stimulate increased production and a large enough national income to balance the Budget. I am not in favor of a lot of people being employed by the Government. I want them to be employed in private industry, but I do say that the volume of consumer buying power is the key to it, and every time that has been increased, you have increased employment, and every time it has been decreased you have decreased employment.

Mr. JOHNS. Mr. Chairman, will the gentleman yield?

Mr. VOORHIS of California. Yes.

Mr. JOHNS. I ask the gentleman from California if he does not think that a public-works program would be much preferable to the W. P. A. or relief?

Mr. VOORHIS of California. I answer the gentleman briefly and say that I would like to see a program which would have scope for projects to be carried on, on either the P. W. A. plan or the W. P. A. I think there are some kinds of work that can only be done by free account, and there are other jobs that could and should be done by contract. I would like to see a program which could be run either way. Certainly I am for public works rather than relief.

Mr. JOHNS. Would not the public-works program be preferable if it could be handled?

Mr. VOORHIS of California. I cannot answer that categorically. In some things I do not think it would. I would say that wherever it could be handled well I would think so, and I would be in favor of it.

Mr. PATMAN. Mr. Chairman, will the gentleman yield?

Mr. VOORHIS of California. Yes.

Mr. PATMAN. In addition to the things that the gentleman named had a harmful effect on the country in 1937, does not the gentleman believe that the doubling of the reserve requirements of the banks in 1936 and early 1937 was harmful to the country and one of the greatest contributing factors to the decline in 1937?

Mr. VOORHIS of California. I think so. I might add that I favor a 100-percent reserve system for demand deposits, but I agree with the gentleman that under the circumstances existing in 1937 the action he mentions probably contributed to the slump.

The CHAIRMAN. The time of the gentleman from California has again expired.

Mr. DIRKSEN. Mr. Chairman, I yield 10 minutes to the gentleman from Michigan [Mr. WOLCOTT].

Mr. WOLCOTT. Mr. Chairman, in every attempt to destroy republican democracies in the world there have been certain straw men built up to be knocked down at will. Stalin has as his straw man the capitalistic nations. Mussolini has as his straw man the democracies of the world. Hitler has as his straw man the Jews and the Catholics. We must be careful in America that the bankers and the industrialists do not become the straw men of the New Deal. In all of these regimes there have been certain methods by which the activities of these straw men are constantly reported to those who destroy them. Hitler has his Gestapo. Stalin has his Ogpu. And we must be cautious in America that the New Deal or any other subversive influence in America does not create a similar secret police force. It came to my attention a short time ago that the W. P. A. is being used in many instances as the secret police of this Government; and so that we might be forewarned that similar attempts might not be used to overthrow this republican democracy, I call the House's attention to what I consider a most flagrant abuse of a position by a man in authority in the W. P. A. in New York State. On the Republican side of the House there is a man with whom sometimes we disagree, but in whom we have the utmost confidence; a man of fixed integrity, a man of high purpose, who alone has saved this Government millions upon millions of dollars, and who is constantly calling our attention to the necessity for reducing Government expenditures, having in mind that unless we do so there is a probability that the American form of government might be destroyed.

That man has been attacked by this organization, which sets itself up in some particulars as an American Ogpu. I call the attention of the House to a report which was given——

Mr. CHIPERFIELD. Mr. Chairman, will the gentleman yield?

Mr. WOLCOTT. Yes; I yield.

Mr. CHIPERFIELD. What was the name of that organization?

Mr. WOLCOTT. I think we should characterize it as "an American Ogpu." I do not know what that means, but it is the secret police that Stalin uses to find out what is going on in his country.

I wonder if possibly all Members of Congress are not subject to the same scrutiny in all their actions by this American secret police that this particular Member of Congress was? I wonder how many reports are going into Washington and how many reports are going into the administrative branches of government on the activities of Members of Congress from all over the United States? I do not think I need mention the fact that the Member of Congress to whom I refer is the gentleman from New York, JOHN TABER. He can very well speak for himself. It does not make any difference whether it is the gentleman from New York, JOHN TABER, or any other Member of this House. The W. P. A. has apparently launched upon a new and very unusual project—that of snooping and reporting to headquarters what Members of Congress are doing and saying.

A year or so ago the gentleman from New York [Mr. TABER] called attention to a project in his district, and it appears on page 129 of the hearings on the Emergency Relief Appropriation Act of 1938. He was quizzing Mr. Hopkins,

and this is what happened. The gentleman from New York [Mr. TABER] said to Mr. Hopkins:

Now, I have a picture here which shows the kind of work which has been going on in my territory. I would like to have you look at it.

I have since been informed that it was a picture from a newspaper. A local newspaper took this picture and published it. It was only natural that the gentleman from New York [Mr. TABER], in representing his district, would have this information and would be quizzing Mr. Hopkins with reference to it.

Mr. Hopkins answered:

It looks like good propaganda.
Mr. TABER. It is not propaganda at all.
Mr. HOPKINS. It has all the earmarks of it.
Mr. TABER. It happened to be in the papers.
Mr. HOPKINS. I can tell from the kind of heading they have what it is. I will be glad to look into that and answer it for you. It may not have been a W. P. A. road at all.
Mr. TABER. They do not say it is a W. P. A. road, but they say it is a W. P. A. sewer job. I have seen this thing myself, and I know it looks like that.

A member of this new American Ogpu who happened to be on the pay roll of the W. P. A. was asked to make a report, and on the letterhead of the "W. P. A. of New York State, District No. 7 of Onondaga County, interdepartmental memorandum, avoid verbal orders," under date of August 25, 1939, we have this following very unusual report on the activity of the gentleman from New York [Mr. TABER] in his particular district. This is addressed to Mr. Willis D. George and is from Mr. William M. Coyne, who bears the very novel and unusual title of information-service representative.

Did you know that W. P. A. had information-service representatives throughout the Nation on the W. P. A. pay roll, reporting to W. P. A. headquarters, and perhaps other administrative agencies, on the activities of Members of Congress? After giving a report on this particular job, Mr. Coyne has this to say of Mr. TABER's activities:

There have been persistent reports, which were never refuted by any source, that on the eve of congressional action on the original reorganization bill Mr. TABER conspired with Auburn manufacturers to have industrial employees send telegrams of opposition to the bill to Washington, and that they went out of the telegraph offices in Auburn and other sections of Cayuga County in wholesale lots.

Information reached us that employees of the Auburn Rope Co., one of the larger of Auburn's industries, distinctly were given to understand that they were doing a favor for the Congressman and for Cayuga County in sending out the telegrams.

This is signed by William M. Coyne, information-service representative.

[Here the gavel fell.]

Mr. DIRKSEN. Mr. Chairman, I yield the gentleman 5 additional minutes.

Mr. WOLCOTT. Mr. Chairman, I do not think this Congress intended, when it set up the W. P. A. and provided moneys by which relief was to be given to the poor and needy of this Nation, that we were creating a secret police to inform administration offices on the attitude of Congressmen on particular bills. It does not make any difference who this Member is. Do we favor a continuance of this particular brand of activity by the W. P. A.? What was it to the representative of the W. P. A. what the gentleman from New York [Mr. TABER] happened to think about the reorganization bill? How does it concern the W. P. A. what you and I and every other Member of Congress may think on reorganization, the Townsend plan, or any one of the thousand other controversial subjects which may be brought to the floor of this House for consideration? Surely we should guard ourselves and the people whom we represent against any attempt whatsoever to set up in the name of relief a secret organization which is prying into our secret matters and reporting them to heads of departments here in Washington, in order that the information may be used in our districts, as well as among the lobbyists here on the floor of Congress, in respect to legislation which we have to consider.

I hope that the forewarning which these remarks will give to the membership of the House will be sufficient that we may check this business, not for ourselves, because, after all, the life of every Member of Congress is like an open book. We never do anything which we do not want our constituents to know; we do not do anything on the floor or in our private lives which is subject to criticism. What I object to is the principle of the thing, that there is growing up in this administration, under the control of a political head, a secret police which might eventually be as destructive to a republican democracy as the Ogpu of Stalin or the Gestapo of Hitler.

Mr. HOOK. Mr. Chairman, will the gentleman yield?

Mr. WOLCOTT. I yield.

Mr. HOOK. Does not the gentleman believe that this should apply also to the Army and the Navy and several other agencies?

Mr. WOLCOTT. I have no knowledge that the Army or the Navy or any personnel of the Army or the Navy is being used as a part of an American Gestapo. I say to the gentleman frankly that if it became known to me as a Member of Congress that the Army of this Nation was being used in any manner to help in the destruction of American democracy, then the men responsible for it should be removed from their places, and the members of the Army and the Navy who are doing it should be court-martialed and summarily dealt with, as the gentleman or I would have expected to be done during the World War in case of any like activity.

Mr. HOOK. I am pleased to hear the gentleman say that; but will the gentleman enlighten us as to whether he has any other instance in the whole set-up of the W. P. A. like this?

Mr. WOLCOTT. No; I have not. I am merely voicing this as a warning, so that there may not be other instances, and we can guard against their attempting such things. It is the duty of the gentleman as a Member of Congress, representing his constituency, as he always does, intelligently, to bring any such activity to the attention of Congress in order that we may be forewarned, in order that if we ourselves do learn of them we may recognize them as attempts to overthrow democracy and guard against such attempts. [Applause.]

[Here the gavel fell.]

Mr. FITZPATRICK. Mr. Chairman, I yield 8 minutes to the gentleman from Montana [Mr. O'CONNOR].

Mr. O'CONNOR. Mr. Chairman, I secured this time primarily for the purpose of talking a little about more money for the construction of post-office buildings throughout the United States, but before touching that subject I want to compliment the distinguished chairman of the Subcommittee on Appropriations for the valuable information that he gave us yesterday morning with reference to a break-down of the cost of the Veterans' Bureau.

He forcibly called to our attention that the Government is required to expend over $500,000,000 a year in that connection because of expenses and pensions. I feel, in the face of that enormous expenditure, that in many instances the Government has been very tight and selfish in its treatment of the men who served their country in those wars from which they are now pensioners. This information emphasizes the fact that we must keep out of wars unless we are forced into them as a matter of self-defense in the future unless we court national bankruptcy. That is not touching at all upon the humane side of the question. We must also consider, in connection with wars, the human wrecks that are thus caused. We have the humane side as well as the economic side to consider.

I want to call attention now to a specific act of Congress that was passed in the Seventy-fifth Congress in which $60,000,000 was authorized for the purpose of building post offices throughout the United States over a period of 3 years. That act did not provide that any specific amount of the $60,000,000 should be appropriated during any particular year. That act was amended by Public Resolution No. 122, which in title III

provided an additional $70,000,000, making a total of $130,000,000 authorized for the purpose of constructing new post-office buildings throughout the United States.

According to my figures, $89,000,000 of the $130,000,000 heretofore authorized has been appropriated. The pending bill would appropriate an additional $15,000,000 of the balance, leaving twenty-six million unappropriated of the amount heretofore authorized. As stated, Congress in the act approved in August 1937 made provision for this money to be spent during the 3 years which will expire in August 1940 this year.

This amount of money, if we pay any attention to the direction of Congress, should be used for the construction of post-office buildings throughout the United States where they are needed. If we do not raise or up the amount that is provided in the present bill, we shall at the end of this year have $26,000,000 left which has heretofore been authorized but unappropriated out of the money that was supposed to be used for the purpose of building post-office buildings throughout the United States.

I have prepared an amendment which I am going to offer to the bill when we reach page 41, providing for upping this appropriation to the sum of $37,000,000. This will assist in the construction of post-office buildings throughout the United States.

I call your attention specifically to Public Document No. 177, which contains the numbers of post-office sites that are eligible, but for which no money has been appropriated. Take, for instance, my own State alone. In the district I represent we have secured one post-office building in a town where the postal receipts run far in excess of the requirement. There are 16 other cities that are eligible, according to the list published by the Post Office Department. What happens when publication is given to the list of eligible cities in a district? Your people believe that the money is available for the construction of these buildings and they believe that their Congressman is derelict in his duty in not securing the necessary appropriations. I have cities in my district where the Federal agencies are required to be housed in the courthouse basements, even close to the furnace, because we have no buildings sufficient to house them. It is my personal belief that the Government is in business to stay for at least some time, and we must find some place to house these public agencies aside from the post-office requirements.

Consequently we should do one of two things—either provide sufficient money to meet the needs of people in the way of post-office buildings and Federal agency requirements or we should not publish to the country the list of cities that are eligible for post-office buildings. As I said before, the public is misled.

I want to include in the RECORD the names of the cities in my district that are eligible and in which many agencies of the Government are housed in different locations all over the cities.

[Here the gavel fell.]

Mr. FITZPATRICK. Mr. Chairman, I yield 5 minutes to the gentleman from Massachusetts [Mr. CONNERY].

Mr. CONNERY. Mr. Chairman, even a casual reading of the Appropriations Committee hearings pertaining to the Federal Communications Commission should convince every Member of the House of the need for an immediate congressional investigation of the entire subject of radio, particularly the apparent inability of the members of this Commission to protect the public and to eliminate or set aside the present radio monopoly.

It was my intention at this time to discuss certain activities of the Commission, especially its apparent acceptance of false statements as they apply to a licensee who now possesses some nine or more licenses; but in view of certain other evidence which I find in the hearings pertaining to this favored individual, I will postpone my remarks on that matter to a later date.

However, I believe every Member of the Congress will be interested to find that this Commission, through its present Chairman and through one of its retiring members who has served for several years, while blandly pointing with pride to its "holier than thou" attitude, yet ignores its own conclusions when proper pressure is applied.

The Appropriations Committee was told last year and again this year by the Federal Communications Commission that when false statements are made by an applicant for a license and such false statements come to the attention of the Commission such application will be denied or the license possibly revoked.

I note on page 973 of the Appropriations Committee hearings that an applicant for a license who presented sworn statements to the Treasury Department to the effect that he was virtually bankrupt and unable to pay notes held by a closed bank presented allegations to the Commission that he was possessed of many thousands of dollars.

Despite the fact that the Treasury Department of its own volition called this matter to the attention of the Federal Communications Commission, even to the extent of furnishing the Federal Communications Commission with a photostatic copy of the sworn statement indicating the apparent bankruptcy of the applicant for a radio license, this application for a license was granted by the Commission.

I note that even the new Chairman of the Commission admits that he has reason to suspect that in many instances these radio licenses are issued to or are actually in the hands of or under the control of persons or corporations other than those to whom the license was issued.

This Commission has under way a report on monopoly in radio. This Commission has been making such a study for the Lord only knows how long a time. Last June the Congress was told that such report would be available in a short time, perhaps 60 days. Last month the Appropriations Committee was told it would be ready the middle of January. To my mind, we will have such a report when the Congress decides to institute its own investigation and not much sooner.

These radio licenses are governmental property, temporarily loaned for a period of not more than 1 year to an applicant who presumably and under the law must serve public interest. I challenge anyone in the radio industry to allege that other than for the purpose of obtaining the license much consideration is given to public interest.

These licensees pay no tax to the Government despite the fact that the possessors of such licenses yearly reap millions of dollars in profits.

One part of this radio monopoly, the Columbia Broadcasting System, with an investment of less than $1,600,000, as we are told by the Security Exchange Commission, yearly pays dividends to its stockholders of some 150 percent on the original investment; and yet, despite these extortionate profits, these licensees, as I said before, pay no tax to the Government for the use of this highly profitable Government franchise.

On the basis of these earnings, I fear that unwary investors have been influenced to purchase stock in these radio monopolies—which monopolies depend for their profits entirely on the continuance of these governmental grants. Once any of these monopolists are deprived of the governmental license they hold, the investment in such concerns will be worth almost nothing.

You will be interested to know that this property for which the Columbia Broadcasting System has invested some $1,600,000 is selling on the New York Stock Exchange on the basis of some $50,000,000 and paying dividends of more than $2,000,000 yearly. Also, it is my understanding that on an investment of some $3,000,000 in National Broadcasting Co. the Radio Corporation of America, the parent company, which I will discuss further and in more detail at a later date, earns a profit of some $10,000,000 yearly.

Yet this Commission admits it has done nothing to protect the innocent investor from being virtually defrauded of his savings by the false picture which is painted to those who do not realize that radio monopoly possesses but little other than a governmental grant.

Application for consent under sec. 310 of the Communications Act of 1934 to transfer control of licensee corporations

Station	Location	File No.	Licensee corporation	Transferor
KABR	Aberdeen, S. Dak	B4-TC-194	Aberdeen Broadcast Co	Present (65) stockholders
KANS	Wichita, Kans	B4-TC-186	The KANS Broadcasting Co	Charles C. Theis
KDAL	Duluth, Minn	B4-TC-160	Red River Broadcasting Co., Inc	E. C. Reineke, N. D. Black, H. D. Paulson, Mrs. N. B. Black, C. H. Reineke, and Forum Publishing Co., Inc.
KEUB	Price, Utah	B5-TC-182	Eastern Utah Broadcasting Co	Sam G. Weiss
KFQD	Anchorage, Alaska	TC-90	Anchorage Radio Club, Inc	J. P. Hannon
KGW, KEX	Portland, Oreg	B5-TC-176	Oregonian Publishing Co	O. L. Price, trustee
KHBC, KGMB	Hilo, Hawaii; Honolulu, Hawaii	B-TC-171	Honolulu Broadcasting Co., Ltd	Pacific Theatres & Supply Co., Ltd
KHBG	Okmulgee, Okla	B3-TC-191	Okmulgee Broadcasting Co	H. B. Greabes, T. B. Lanford R. M. Dean, and John Caruthers.
KHSL, KVCV	Chico, Calif; Redding, Calif	B5-TC-152	Golden Empire Broadcasting Co	William Schield, Harold Smithson, Sydney Lewis
KOVC	Valley City, N. Dak	B4-TC-127	KOVC, Inc	George B. Bairey
KROW	Oakland, Calif	B5-TC-180	Educational Broadcasting Corporation	H. P. Drey, S. L. Brevit, R. E. Morgan, Charles Martin, C. V. Knemeyer.
KTAT (now KFJZ)	Fort Worth, Tex	B3-TC-188	Tarrant Broadcasting Co	Raymond E. Buck
KTFI	Twin Falls, Idaho	B5-TC-164	Radio Broadcasting Corporation	From present stockholders [13]
KVOA	Tucson, Ariz	B5-TC-128	Arizona Broadcasting Co., Inc	Albert Steinfeld & Co
WAAF	Chicago, Ill	B4-TC-134	Drovers Journal Publishing Co	Corn Belt Publishers, Inc
WALR (now WHIZ)	Zanesville, Ohio	B2-TC-185	WALR Broadcasting Corporation	Ronald B. Woodyard
WBBC	Brooklyn, N. Y	B1-TC-162	Brooklyn Broadcasting Corporation	Estate of Peter J. Testan
WBBC	do	B1-TC-163	do	Peter Testan, executor
WBCM	Bay City, Mich	B2-TC-174	Bay Broadcasting Co., Inc	James E. Davidson
WBTH	Williamson, W. Va	B2-TC-190	Williamson Broadcasting Corporation	George W. Taylor
WCHV	Charlottesville, Va	B2-TC-178	Community Broadcasting Corporation	Present (81) stockholders
WCHV	do	B2-TC-192	do	Mrs. Hugh M. (Nancy) Curtler
WCMI	Ashland, Ky	B2-TC-181	Ashland Broadcasting Co	J. T. Norris and B. F. Forgey
WFAS	White Plains, N. Y	B1-TC-147	Westchester Broadcasting Corporation	Selma Seitz
WFLA	Clearwater, Fla	B3-TC-195	Florida West Coast Broadcasting Co	Fred J. Lee
WGAN	Portland, Maine	B1-TC-153	Portland Broadcasting System, Inc	Mary P. Martin, administratrix, estate of George W. Martin, deceased.
WGH	Hampton Roads, Va	B2-TC-167	Hampton Roads Broadcasting Corporation	James W. Baldwin
WGRC	New Albany, Ind	B4-TC-159	Northside Broadcasting Corporation	Northside Broadcasting Corporation
WGTM	Wilson, N. C	B3-TC-189	WGTM, Inc	Ben Farmer
WHAT	Philadelphia, Pa	B2-TC-177	Independence Broadcasting Co., Inc	Public Ledger, Inc
WHBB	Selma, Ala	B3-TC-166	Selma Broadcasting Co., Inc	S. A. Cisler, H. A. Shuman, G. W. Covington, Jr.
WHBU	Anderson, Ind	B4-TC-197	Anderson Broadcasting Corporation	Leo M. Kennett
WIBC	Indianapolis, Ind	B4-TC-183	Indiana Broadcasting Corporation	Glenn Van Auken
WJBL (now WSOY)	Decatur, Ill	B4-TC-124	Commodore Broadcasting Co., Inc	Charles R. Cook
WKBO	Harrisburg, Pa	B2-TC-179	Keystone Broadcasting Corporation	The Telegraph Press, Inc
WMBC	Detroit, Mich	B2-TC-196	Michigan Broadcasting Co	E. J. Hunt
WPEN	Philadelphia, Pa	B2-TC-158	Wm. Penn Broadcasting Co	Mariannina C. Iraci, administratrix
WRAL	Raleigh, N. C	B3-TC-175	Capitol Broadcasting Co., Inc	Present stockholders [23]
WROL	Knoxville, Tenn	B3-TC-198	Stuart Broadcasting Corporation	S. E. Adcock, administrator of estate of Ruth Adcock, deceased.
WSB	Atlanta, Ga	B3-TC-205	Atlanta Journal Co	Present stockholders [23]
WTMV	East St. Louis, Ill	B4-TC-193	Mississippi Valley Broadcasting Co., Inc	Lester E. Cox
WWSW	Pittsburgh, Pa	B2-TC-139	Walker & Downing Radio Corporation	Pennsylvania Newspaper Co

[1] Represented by 676 shares of stock of the licensee corporation to be issued to H. C. Jewett in payment of outstanding obligations.
[2] Charles C. Theis in transferring 48 shares of common stock to J. Herbert Hollister out of 150 such shares outstanding relinquished control to the company's stockholders.
[3] $1,695.60 loss for the 3 months, 1939.
[4] Representing advances by transferees.
[5] Does not include "Goodwill."
[6] After hearing.
[7] Combined for Oregonian Publishing Co.
[8] Under the will of Henry L. Pittock and without consideration.
[9] Surrender and cancelation of stock of transfer or which will be liquidated.
[10] Does not include organization expense.
[11] Operating loss.
[12] Subject to adjustments to date of settlement.
[13] Transferee inherited 1,025 shares of common stock from Stanley M. Soule.
[14] Plus $10,000 in radio advertising.
[15] The names and addresses of these parties, their business and interests in transferor as well as prospective interests in licensee are shown on attached exhibit I.

Application for consent under sec. 310 of the Communications Act of 1934 for assignment of licenses

Station	Location	File No.	Assignor
KCRJ	Jerome, Ariz	B5-AL-218	Charles C. Robinson
KEHE (now KECA)	Los Angeles, Calif	B5-AL-204	Hearst Radio, Inc
KGGF	Coffeyville, Kans	B4-AL-206	Hugh J. Powell and Stanley Platz, doing business as Powell & Platz.
KGIW	Alamosa, Colo	B5-AL-219	Leonard E. Wilson
KGKY	Scottsbluff, Nebr	B4-AL-249	Hilliard Co., Inc
KIDW	Lamar, Colo	B5-AL-224	The Southwest Broadcasting Co
KLCN [4]	Blytheville, Ark	B3-APL-6	Charles Leo Lintzenich

granted by Federal Communications Commission during period from Jan. 1, 1939, to Dec. 31, 1939, inclusive

Transferee	Original cost, fixed assets	Replacement cost of fixed assets	Stock transferred (common)	Percent of total stock issued	Claimed value of stock transferred, including physical and intangible values	Station earnings: Net profit or loss (−)	Station earnings: Period	Consideration paid	Date granted by commission	Effective date
							Months			
H. C. Jewett, Jr.	$59,691.01	$59,691.01	676	79.4	$9,984.00	−$1,411.47	7	[1] $67,600.00	Oct. 3, 1939	Oct. 3, 1939
(2)	14,663.85	14,663.85	48	32.0	4,214.10	[3] 1,811.00	12	10,655.13	July 12, 1939	July 12, 1939
Dalton A. and Charles Le Masurier	34,361.17	34,361.17	71	100.0	27,276.54	−5,338.00	12	[4] 39,299.41	Jan. 9, 1939	Jan. 9, 1939
Jack Richards and A. W. McKinnon	10,693.00	10,891.00	5,542	59.0	5,572.41	−2,194.00	12	6,500.00	July 26, 1939	July 26, 1939
R. E. McDonald	33,255.36	29,284.68	166	33.33	[5] 3,947.83	3,329.25	6	3,000.00	June 21, 1939	[6] June 28, 1939
Susan P. Emery, Kate P. Hebard, Louise P. Gantenbein, Caroline P. Leadbetter, E. B. MacNaughton, trustee.	98,192.19	96,633.57	470	67.1	[7] 1,003,947.22	158,248.53	12	(8)	May 8, 1939	May 8, 1939
Consolidated Amusement Co., Ltd.	91,776.45	91,776.45	5,503	55.0	65,141.16	13,247.02	6	(9)	May 31, 1939	May 31, 1939
Lucile Buford, Paschal Buford, Mrs. S. P. Ross, and Sam W. Ross.	10,731.48	10,631.48	100	100.0	6,251.55	−2,506.56	12	10,000.00	Aug. 8, 1939	Aug. 8, 1939
Ray McClung, Horace E. Thomas, and Stanley R. Pratt, Jr.	38,272.94	43,201.16	300	100.0	[10] 25,625.29	−3,654.94	12	55,000.00	Apr. 10, 1939	[5] Apr. 17, 1939
15 minority stockholders	9,871.59	9,871.59	90	58.82	5,369.22	1,478.06	9½	3,500.00	Jan. 16, 1939	Jan. 16, 1939
W. I. Dunn, Philip Lasky, Fred J. Hart, Wallace F. Elliott.	146,349.78	151,003.27	9,536.5	98.168	83,937.75	[11] −15,258.00	-------	107,984.80	July 26, 1939	July 26, 1939
Ruth G. Roosevelt	105,268.03	96,868.53	1,700	100.0	[12] 162,167.31	−8,141.13	12	101,570.76	do	Aug. 17, 1939
O. P. Soule	67,645.88	73,720.88	1,025	8.2	5,168.95	7,549.05	12	[13] None	Feb. 13, 1939	Feb. 13, 1939
KTAR Broadcasting Co.	24,704.82	29,640.54	1,503	100.0	24,577.72	2,934.49	8	[14] 35,000.00	Jan. 9, 1939	[6] Jan. 16, 1939
16 stockholders of transferor [15]	(16)	(16)	2,000	100.0	(16)	[17] 51,077.67	12	(16)	July 27, 1939	[6] July 27, 1939
West Virginia Broadcasting Corporation	18,641.24	20,691.65	100	40.0	7,773.68	−2,675.16	12	10,000.00	July 26, 1939	July 26, 1939
Peter Testan, executor of Peter J. Testan	(18)	(18)	291	100.0	(18)	(18)	-------	None	May 1, 1939	May 1, 1939
Peter Testan and Millie Testan	(18)	(18)	291	100.0	23,694.99	−4,893.10	12	None	do	Do.
Harley D. Peet	83,335.83	64,380.61	3,332	66.67	9,105.72	−8,603.74	7	99,960.00	May 8, 1939	May 8, 1939
W. P. Booker	17,896.64	(19)	45	44.1	3,934.39	−1,278.48	1½	4,500.00	July 26, 1939	July 26, 1939
Mrs. Hugh M. (Nancy) Curtler	24,602.19	12,582.85	843	21.08	8,301.82	826.40	12	3,344.00	May 23, 1939	May 23, 1939
Mrs. Marcia Arrington	27,322.84	15,306.45	2,231	55.8	20,826.05	−1,980.88	12	[20] 16,500.00	Oct. 3, 1939	Oct. 3, 1939
Gilmore N. Nunn and J. Lindsay Nunn	21,351.15	12,007.61	110	66.67	10,236.99	−7,802.00	12	11,000.00	July 27, 1939	July 27, 1939
Valentine E. Macy, Jr., and J. Noel Macy	24,515.00	24,190.00	1,000 [21] 716	100.0	22,900.00	2,016.49	6	25,500.00	June 27, 1939	[6] July 3, 1939
The Tribune Co.	(22)	(22)	[23] 10 [21] 12	10.0	3,691.00 1,200.00	3,247.27	7	6,800.00 1,200.00	Nov. 7, 1939	Nov. 7, 1939
Gannett Publishing Co., Inc.	85,315.20	85,315.20	251	51.0	22,433.11	−6,013.51	4	[24] 25,000.00	May 23, 1939	[6] May 24, 1939
The Daily Press, Inc.	43,439.45	39,232.02	175	66.03	21,183.75	1,361.25	8	21,875.00	Jan. 24, 1939	Jan. 24, 1939
S. A. Cisler, Jr., Chas. Lee Harris	27,317.18	26,961.00	900	37.5	5,787.00	13,632.00	12	16,000.00	May 31, 1939	May 31, 1939
H. W. Wilson, Charlotte L. Burns and George C. McDonald.	16,263.51	16,263.51	49½	33.0	5,267.79	−1,036.11	6	5,000.00	July 12, 1939	July 12, 1939
Bonwit Teller & Co.	22,734.49	14,025.95	200	100.0	10,000.00	−3,825.98	12	10,000.00	May 23, 1939	May 23, 1939
Bascom Hopson	12,131.81	13,084.81	120	75.0	7,738.68	780.81	12	8,675.30	July 14, 1939	[6] July 14, 1939
Roy E. Blossom	20,279.09	19,100.00	2	.2	34.00	644.89	12	40.00	Nov. 7, 1939	Nov. 7, 1939
H. G. Wall	25,667.89	33,000.69	510	51.0	6,942.35	−5,142.45	5	10,000.00	July 12, 1939	July 12, 1939
Decatur Newspapers, Inc.	11,600.00	13,600.00	127½	51.0	5,698.71	395.34	12	7,650.00	July 27, 1939	[6] July 27, 1939
J. H. and John F. Steinman	30,928.03	17,696.46	375 [21] 135	75.0 75.0	None 2,131.58	−2,325.15	5	27,500.00	July 12, 1939	July 13, 1939
John L. Booth	23,330.69	23,310.33	1,643	62.0	25,454.47	1,763.04	8	125,000.00	Dec 18, 1939	Dec. 18, 1939
Arde Bulova	95,495.04	84,243.01	300	60.0	88,926.76	−4,607.26	11	160,000.00	Aug. 8, 1939	Aug. 9, 1939
A. J. Fletcher	[26] None	[26] None	56	31.1	5,600.00	[26] None	-------	5,600.00	Mar. 13, 1939	Mar. 13, 1939
S. E. Adcock	(19)	(19)	124	49.6	18,262.00	508.00	12	[27] None	Nov. 20, 1939	Nov. 20, 1939
James M. Cox, Springfield Newspapers, Inc., and Evening News Publishing Co.	[28] 362,549.91	[28] 286,507.90	4,058½s	70.6	1,191,890.15	152,318.52	12	1,825,125.00	Dec. 12, 1939	Dec. 12, 1939
William H. West, Jr.	23,789.38	23,789.38	[29] 184	36.8	18,342.00	148.39	12	24,850.00	Oct. 24, 1939	Oct. 24, 1939
P. G. Publishing Co.	56,977.48	31,000.00	600 [21] 100	100.0 100.0	40,893.03	24,474.23	12	[30] 40,000.00	July 13, 1939	July 13, 1939

[15] The assets of licensee totaling $394,216.57 were increased to $829,264.22 by consolidation with licensee of assets of transferor and its subsidiaries. Licensee's original liabilities totaling $302,188.41 (including $200,000 common stock) were increased to $418,064.10 (also including the same common stock liability). There were also issued, after consolidation, capital notes $400,000. A decrease in surplus from $92,028.16 to $11,200.12 resulted.

[17] Does not include profit from other than the radio station.

[18] Not furnished. Transferred without consideration.

[19] Property acquired and installed within past several months. Replacement approximates original cost.

[20] Includes consideration for an additional 210 shares previously purchased.

[21] Preferred stock.

[22] Not available.

[23] On July 25, 1939, transferee also acquired 45 shares of common stock and 48 shares of preferred stock for $85,000. 10 shares of preferred were retired and 27 shares newly issued, resulting in transferee holding all (75 shares) preferred stock.

[24] By decree of court in equity.

[25] Net worth of the corporation shows a deficit.

[26] New station.

[27] Gift causa mortis.

[28] Radio assets only.

[29] There were a total of 370 shares of common stock sold for $50,000, of which 186 shares did not involve control.

[30] All the assets of the Pennsylvania Newspaper Co. (including all the stock of licensee) were sold to Paul Block & Associates, Inc., and its assignees, the transferee, for a total consideration of $2,750,000.

granted by Federal Communications Commission for the period from Jan. 1, 1939, to Dec. 31, 1939, inclusive

Assignee	Original cost of fixed assets	Replacement cost of fixed assets	Total claimed value of physical and intangible assets	Station earnings: Net profits or loss (−)	Station earnings: Period	Consideration	Date granted by Commission	Effective date
Central Arizona Broadcasting Co.	$12,152.50	$11,589.90	$19,517.60	$1,079.87	12 months	$10,000.00	May 31, 1939	June 5, 1939
Carl C. Anthony, Inc.	291,464.38	321,302.17	(1)	−126,069.33	do	400,000.00	June 21, 1939	July 31, 1939
Hugh J. Powell	64,792.69	55,174.30	[2] 100,000.00	906.18	do	[2] 33,333.33	June 14, 1939	[3] June 15, 1939
E. L. Allen	7,922.86	7,500.00	5,235.25	2,015.50	do	7,500.00	May 31, 1939	[3] June 5, 1939
L. L. Hilliard, Ruth K. Hilliard, and R. N. Stewart.	11,578.55	9,941.85	13,412.60	1,033.05	do	-------	Dec. 5, 1939	Dec. 5, 1939
The Lamar Broadcasting Co.	5,942.72	4,893.51	[5] None	−1,099.12	do	[5] None	Jan. 30, 1939	Jan. 30, 1939
Fred O. Grimwood	14,022.00	14,522.00	10,290.00	101.00	7 months	10,290.00	Nov. 27, 1939	Nov. 27, 1939

Application for consent under sec. 310 of the Communications Act of 1934 for assignment of licenses granted by

Station	Location	File No.	Assignor
KMO	Tacoma, Wash	B5-AL-253	KMO, Inc
KNOW	Austin, Tex	B3-AL-226	KUT Broadcasting Co
KOBH	Rapid City, S. Dak	B4-AL-162	Black Hills Broadcasting Co
KOMA	Oklahoma City, Okla	B3-AL-229	Hearst Radio, Inc
KOME	Tulsa, Okla	B3-AL-237	Harry Schwartz
KRIC	Beaumont, Tex	B3-AL-243	Beaumont Broadcasting Association, B. A. Steinhagen, president.
KRQA (now KVSF)	Santa Fe, N. Mex	B3-AL-223	J. Laurance Martin
KSAL	Salina, Kans	B4-AL-238	R. J. Laubengayer
KSAN (formerly KGGC)	San Francisco, Calif	B5-AL-214	Golden Gate Broadcasting Co., Robert J. Craig
KTBC	Austin, Tex	B3-AL-259	State Capitol Broadcasting Association, R. B. Anderson, President.
KTSA	San Antonio, Tex	B3-AL-222	KTSA Broadcasting Co
KVGB	Great Bend, Kans	B4-AL-235	Earnest Edward Ruehlen
KWOC	Poplar Bluff, Mo	B4-AL-241	Don M. Lidenton and A. L. McCarthy
KYOS	Merced, Calif	B5-AL-192	Merced Star Publishing Co., Inc
WAAW (now KOWH)	Omaha, Nebr	B4-AL-231	Omaha Grain Exchange
WACO	Waco, Tex	B3-AL-227	KTSA Broadcasting Co
WAGA	Atlanta, Ga	B3-AL-207	Liberty Broadcasting Co
WBBZ	Ponca City, Okla	B3-AL-196	Adelaide Lillian Carrell, representative of the estate of Charles Lewis Carrell, deceased.
WBNO (now WNOE)	New Orleans, La	B3-AL-239	Coliseum Place Baptist Church
WCAU	Philadelphia, Pa	B2-AL-246	WCAU Broadcasting Co. (N. J.)
WCAX	Burlington, Vt	B1-AL-228	Burlington Daily News, Inc
WCBA	Allentown, Pa	B2-AL-220	B. Bryan Musselman
WSAN	do	B2-AL-221	WSAN, Inc
WCLE	Cleveland, Ohio	B2-AL-254	Cleveland Radio Broadcasting Co
WHK	do	B2-AL-255	Radio Air Service Corporation
WHKC	Columbus, Ohio	B2-AL-256	Associated Radiocasting Co
WCOV	Montgomery, Ala	B3-AL-236	John S. Allen & G. W. Covington, Jr
WDEV	Waterbury, Vt	B1-AL-216	Charles B. Adams, administrator of Harry C. Whitehill estate, and executor of Mary M. Whitehill estate.
WFBM [28]	Indianapolis, Ind	B4-AL-246	Indianapolis Power & Light Co
WGNY	Newburgh, N. Y	B1-AL-252	Peter Goelet
WIS	Columbia, S. C	B3-AL-234	WIS, Inc
WJHL	Johnson City, Tenn	B3-AL-258	S. Hanes Lancaster and J. W. Birdwell, as Johnson City Broadcasting Co.
WKRC	Cincinnati, Ohio	B2-AL-260	Columbia Broadcasting System, Inc
WLBL [31]	Stevens Point, Wis	B4-AL-250	Board of Regents, University of Wisconsin
WMBI	Chicago, Ill	B4-AL-248	Moody Bible Institute Radio Station
WMFO Now (WMSL)	Decatur, Ala	B3-AL-247	James R. Doss, Jr
WREC	Memphis, Tenn	B3-AL-233	WREC, Inc
WSPR	Springfield, Mass	B1-AL-244	Quincy A. Brackett, Lewis B. Breed and Edmund A. Laport, as Connecticut Valley Broadcasting Co.
WTMC	Ocala, Fla	B3-AL-251	John T. Alsop, Jr

[1] Property in preceding columns.
[2] A ⅓ interest in the partnership was sold.
[3] After hearing.
[4] Assignment of permit and license.
[5] Expiration of lease.
[6] Transfer from a corporation to the sole stockholder.
[7] Not furnished.
[8] $5,000 in stock, $2,400 cash, $17,550.98 advances to assignor.
[9] Represented by 197 shares of assignee's stock to be issued to assignor.
[10] 400 shares of stock of assignee.
[11] 250 shares of stock of assignee.
[12] Represents depreciated value of physical equipment, and unexpired advertising contracts. Does not include a value for leases, music, script, promotional, and other such material.
[13] Represented by 24,000 shares of stock, par value $1 each.
[14] Does not include value of unexpired contracts.
[15] Does not include values for leases, music, script, unexpired contracts, and other such material.
[16] 1,000 shares ($100 par value) preferred stock, and 250 shares (no par value, stated value $25,000). Common stock to be issued to stockholders of assignor. Assignee to receive assets and assume obligations of assignor.
[17] See 2 preceding columns.
[18] Rental of station property.
[19] Lease between church and assignee provides for broadcasting church services, and ½ hour daily programs sponsored by the church (latter may be waived upon payment of $500). Assignee to bear expenses. After first year to pay rental of $1,000 per annum.

Applications for consent under sec. 310 of the Communications Act of 1934 for assignment of construction

Station	Location	File No.	Assignor
KRBM	Bozeman, Mont	B5-AP-25	Roberts-MacNab Co. (Arthur L. Roberts, R. B. MacNab, A. J. Breitbach).
KSAL	Salina, Kans	B4-AP-30	R. J. Laubengayer
WDSM	Superior, Wis	B4-AP-26	Fred A. Baxter
WSAV	Savannah, Ga	B3-AP-29	Arthur Lucas

[1] Construction not commenced.
[2] Parties in interest in assignee will reimburse expenses paid by Gallatin Radio Forum, investments of its incorporators as well as investments of Roberts-MacNab Co. in connection with original applications. Principals of these companies have formed new corporation, each holding equal shares.
[3] See assignment of license for Station KSAL, approved June 6, 1939, which contemplated assignment of this permit if granted.

Federal Communications Commission for the period from Jan. 1, 1939, to Dec. 31, 1939, inclusive—Continued

Assignee	Original cost of fixed assets	Replacement cost of fixed assets	Total claimed value of physical and intangible assets	Station earnings		Consideration	Date granted by Commission	Effective date
				Net profits or loss (−)	Period			
Carl E. Haymond	$50,011.04	$37,994.86	$30,462.82	$17,674.89	12 months	[6] None	Oct. 31, 1939	Oct. 31, 1939
Frontier Broadcasting Co., Inc	12,608.46	17,233.76	35,220.21	(4,286.54)	do	$50,000.00	May 8, 1939	May 8, 1939
Black Hills Broadcasting Co., of Rapid City	16,732.58	(7)	24,950.98	(8,528.36)	do	[8] 24,950.98	June 27, 1939	[3] June 27, 1939
KOMA, Inc	63,604.94	93,380.58	47,937.07	44,160.33	do	315,000.00	Feb. 13, 1939	Feb. 13, 1939
Oil Capital Sales Corporation	23,667.62	23,667.62	16,850.22	4,698.59	2½ months	[9] 19,700.00	July 26, 1939	July 26, 1939
KRIC, Inc	28,353.23	28,353.23	14,231.98	(3,618.37)	3 months	42,105.77	June 20, 1939	June 20, 1939
New Mexico Broadcasting Co	8,290.56	9,162.13	9,414.22	850.03	4 months	12,000.00	May 23, 1939	May 23, 1939
KSAL, Inc	44,335.19	(7)	39,941.00	(6,752.00)	12 months	[10] 10,000.00	June 6, 1939	June 6, 1939
Golden Gate Broadcasting Corporation	30,443.13	28,522.69	19,003.82	581.22	2 months	30,000.00	July 13, 1939	[3] July 13, 1939
State Capitol Broadcasting Association, Inc	27,881.45	27,881.45	27,081.45	(1,756.27)	1½ months	[11] 25,000.00	Nov. 7, 1939	Nov. 7, 1939
Sunshine Broadcasting Co	77,106.38	81,472.37	[12] 107,204.81	102,737.98	30½ months	300,000.00	May 23, 1939	[3] May 24, 1939
Helen Townsley	18,201.06	18,201.06	9,319.53	2,935.32	12 months	22,353.00	May 1, 1939	May 1, 1939
A. L. McCarthy, O. A. Tedrick, and J. H. Wolpers, as Radio Station KWOC.	13,000.00	15,263.00	14,546.22	1,730.48	9½ months	15,000.00	July 12, 1939	July 12, 1939
Merced Broadcasting Co	23,087.54	26,409.05	21,923.33	7,800.00	12 months	[13] 24,000.00	Apr. 3, 1939	[3] Apr. 10, 1939
World Publishing Co	56,099.26	45,377.15	[14] 25,351.08	(14,047.93)	do	75,000.00	Feb. 27, 1939	Feb. 27, 1939
Frontier Broadcasting Co., Inc	14,655.50	15,719.10	[15] 9,317.32	4,018.18	do	50,000.00	May 8, 1939	May 8, 1939
Liberty Broadcasting Corporation	72,888.20	75,183.95	122,004.55	16,912.12	do	(16)	July 27, 1939	[3] July 28, 1939
Adelaide Lillian Carrell, executrix of the estate of Charles Lewis Carrell, deceased.	(7)	(7)	5,882.56	582.11	do	None	May 1, 1939	[3] May 2, 1939
WBNO, Inc	12,718.22	13,950.00	(17)	[18] 1,250.00		(19)	June 6, 1939	June 6, 1939
WCAU Broadcasting Co. (Pennsylvania)	1,650,581.80	1,721,244.12	1,746,366.42	285,825.24	12 months	[20] None	June 27, 1939	June 27, 1939
The Vermont Broadcasting Corporation	18,632.05	17,929.46	12,771.49	1,664.50	do	17,000.00	Mar. 27, 1939	Mar. 27, 1939
Lehigh Valley Broadcasting Co	62,147.34	46,000.00	22,580.77	(7,595.46)	do	[21] 22,500.00	June 27, 1939	June 27, 1939
do	37,419.01	30,411.76	41,440.51	441.13	do	[22] 41,300.00	do	Do.
United Broadcasting Co	[23] 30,859.06	[23] 27,000.00	(62,130.26)	1,536.74	7 months	(24)	Oct. 17, 1939	Oct. 17, 1939
do	[25] 236,990.42	[25] 190,285.00	242,453.62	2,555.94	do	(24)	do	Do.
do	33,258.32	42,170.00	(64,017.78)	(18,952.90)	do	(24)	do	Do.
Capital Broadcasting Co., Inc	13,299.39	13,299.39	11,370.34	(3,044.03)	5 months	(26)	May 23, 1939	May 23, 1939
Lloyd E. Squier and William G. Ricker, as Radio Station WDEV.	46,124.70	35,184.70	(7)	1,597.87	12 months	[27] None	Apr. 10, 1939	Apr. 10, 1939
WFBM, Inc	163,327.03	162,322.85	(17)	36,383.95	4 months	[29] 450,000.00	July 12, 1939	July 12, 1939
Courier Publishing Co	47,627.61	45,109.64	(17)	(18,186.40)	12 months	40,000.00	Oct. 3, 1939	Oct. 3, 1939
Liberty Life Insurance Co	(7)	(7)	43,218.53	(4,823.00)	do	(29)	Nov. 7, 1939	Nov. 7, 1939
WJHL, Inc	19,332.20	19,332.20	47,645.60	5,448.19	8 months	17,645.50	Oct. 10, 1939	Oct. 10, 1939
Cincinnati Times-Star Co	156,467.36	222,500.00	[30] 77,934.78	29,864.60	7 months	320,000.00	Nov. 27, 1939	Nov. 27, 1939
State of Wisconsin Department of Agriculture	66,457.00	66,457.00	(31)	[32] 18,000.00	12 months		Nov. 14, 1939	Nov. 14, 1939
Moody Bible Institute of Chicago	(7)	(7)	(7)	None		(33)	Aug. 8, 1939	Aug. 8, 1939
Tennessee Valley Broadcasting Co., Inc	7,235.20	8,675.00	7,113.71	1,027.29	12 months	[34] 7,050.00	Sept. 12, 1939	Sept. 12, 1939
Hoyt B. Wooten, as WREC Broadcasting Service	(7)	(7)	6,327.26	(7)		(29)	Jan. 24, 1939	Jan. 24, 1939
WSPR, Inc	34,535.09	86,299.00	29,338.40	6,520.45	12 months	(29)	July 12, 1939	July 12, 1939
Ocala Broadcasting Co., Inc	11,232.37	11,232.37	(17)	(7)		(35)	Oct. 3, 1939	Oct. 3, 1939

[20] Assignee receives all assets and assumes all obligations of assignor.
[21] 225 shares of assignee's capital stock, par value $100 per share.
[22] 413 shares of assignee's capital stock, par value $100 per share.
[23] Does not include figures for associated relay stations.
[24] Assignors are to be liquidated. Assignee will receive assets and assume liabilities of assignors.
[25] Does not include original cost ($20,924.61) and replacement value ($20,941) for associated high-frequency and facsimile stations, nor the same values for relay stations.
[26] Assignee to receive all assets and assume all obligations of assignor. Assignee will issue to Covington 52 shares and to Allen 45 shares out of 100 shares of common stock.
[27] Under the will of Mary M. Whitehill station bequeathed to assignees.
[28] 6 associated relay stations.
[29] Assignor also leased to assignee real estate for 99 years for a total rental of $50,000 included in consideration; and subleased premises for 10 years at monthly rental of $392.50.
[30] Does not include value of unexpired advertising contracts.
[31] Statute assigning facilities to university failed of passage.
[32] State appropriation.
[33] Station leased for $1 per year, plus maintenance and operation charges.
[34] Consideration is indebtedness of licensee to Clarence H. Calhoun, Jr. Facilities assigned by Calhoun to assignee for $6,000 stock subscriptions.
[35] Assignee receives station assets in return for 198 (out of 200) shares of common capital stock.

permits granted by Federal Communications Commission for period from Jan. 1, 1939, to Dec. 31, 1939, inclusive

Assignee	Original cost of fixed assets	Replacement cost of fixed assets	Total claimed value of physical and intangible assets	Station earnings		Consideration	Date granted by Commission	Effective date
				Net profits or loss (−)	Period			
KRBM Broadcasters	(1)	(1)	(1)	[1] None		(2)	Jan. 16, 1939	Jan. 16, 1939
KSAL, Inc	(3)	(3)	(3)	[3] None		(3)	Oct. 3, 1939	Oct. 3, 1939
WDSM, Inc	(1)	(1)	(1)	[1] None		(4)	Feb. 6, 1939	Feb. 6, 1939
WSAV, Inc	[5] $11,500	(1)	(1)	[1] None		(6)	Aug. 8, 1939	Aug. 8, 1939

[4] Assignee will receive all rights under permit and will issue to assignor 50 percent (56 shares) out of 114 shares common stock. Assignor will pay par value ($100 per share) for such stock.
[5] Estimated cost to build station.
[6] Consideration $1. Individual permittee assigned to corporation all rights under the permit.

To my mind there is not a Member of this body who will condone anyone trafficking in governmental franchises. Yet this committee's report not only proves that such trafficking in radio licenses exists but that such a practice has the approval of the members of the Federal Communications Commission.

I note on the chart opposite page 937 that recently a radio station which, the Commission states, had a replacement value of $286,507, and which the Commission states had a claimed value of stock transferred, including physical and intangible values, of $1,191,890, was sold for $1,826,000. Apparently the radio franchise in this case was valued by the purchaser at some $634,000; and bear in mind that the Commission also states that the purchaser acquired not 100-percent interest but a 70-percent interest. In other words, if he had acquired a full hundred percent and paid for this franchise on the same basis the franchise would have been valued at approximately $1,000,000.

I note also another transaction wherein the station, with a replacement value of $23,000 and a claimed value of stock transferred, including physical and intangible, of $25,000, was sold for $125,000. As the purchaser acquired only 62 percent of the stock, he must have valued such franchise not only at the $100,000, which is the difference between the claimed value and what he paid for 62 percent, but this transaction would show that the estimated value of the governmental franchise was some $175,000.

I note another transaction wherein the station, with a replacement value of $84,000 and with a claimed value of stock transferred, including physical and intangible values, of $89,000, was sold for $160,000. This would indicate that the purchaser placed a value of at least $70,000 on the governmental franchise in which he has obtained a 60-percent interest.

I note also a station where the replacement cost of the fixed assets is set at $55,000 and for which $33,333 was paid for a third interest, thus placing a value of some $45,000 on the governmental franchise.

I find another instance wherein a station with a replacement cost set at $81,000 and which had a total claimed value of physical and intangible assets of $107,000 was sold for $300,000, leaving an apparent value of some $200,000 for the governmental grant, which presumably cost nothing and from which the Government receives no tax.

I find another instance wherein a station with a replacement cost of some $45,000 and a total claimed value of physical and intangible assets of some $25,000 was sold for $75,000. Again we find an apparent value of $50,000 placed on this governmental grant.

I find another instance wherein a station with a replacement cost set at $15,000 and a total claimed value of physical and intangible assets of some $10,000 was sold for $50,000, apparently a value of some $40,000 being placed on the governmental franchise.

I will not take up the time of the House, but will suggest the insertion, as a part of my remarks, of these tables, which I think the Members of the House might overlook in the hearings.

In closing, I might call to the attention of the House one other illustration: A power company, I find, sold a station wherein they allege an original cost of $163,000 and a replacement cost of fixed assets of $162,000 for some $450,000, with the approval of the Commission. This was an approximate value to the purchaser of at least $300,000 for this governmental franchise, for which the Government received nothing.

Mr. Chairman, I cite these illustrations to you in support of my resolution, now pending before the Rules Committee, for investigation of the Radio Commission and the radio monopoly. I appreciate the number of calls upon every Member of the House, and how difficult it is for the average Member to find sufficient time in which to go through the Appropriations Committee hearings in their entirety.

However, I have no hesitancy in saying that Congress must investigate the radio monopoly—must investigate the Communications Commission. And I believe in that old saying, Mr. Chairman, that if and when one finds he has to do something, the sooner he does it and has it done with, the better for all concerned. [Applause.]

The CHAIRMAN (Mr. WARREN). The Clerk will read.

The Clerk read as follows:

Be it enacted, etc., That the following sums are appropriated, out of any money in the Treasury not otherwise appropriated, for the Executive Office and sundry independent executive bureaus, boards, commissions, and offices, for the fiscal year ending June 30, 1941, namely.

Mr. WOODRUM of Virginia. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. WARREN, 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. 7922, the independent offices appropriation bill, had come to no resolution thereon.

Mr. WOODRUM of Virginia. Mr. Speaker, I ask unanimous consent to proceed for 30 seconds.

The SPEAKER. Is there objection to the request of the gentleman from Virginia [Mr. WOODRUM]?

There was no objection.

CALL OF THE HOUSE

Mr. WOODRUM of Virginia. Mr. Speaker, we are about to begin the reading of the independent offices appropriation bill. There are many matters of great interest in the bill, and I think the membership of the House should be notified in order that they may be here. I therefore make the point of order that there is not a quorum present.

The SPEAKER. The Chair will count. [After counting.] One hundred and thirty-two Members are present, not a quorum.

Mr. WARREN. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 6]

Allen, La.	Fay	Kirwan	Sacks
Allen, Pa.	Fernandez	Lea	Sasscer
Barton	Folger	McMillan, Clara G.	Schwert
Bell	Ford, Miss.	Maciejewski	Secrest
Bender	Ford, Leland M.	Maloney	Shannon
Boehne	Ford, Thomas F.	Massingale	Sheridan
Buck	Fulmer	Merritt	Short
Buckley, N. Y.	Garrett	Mouton	Smith, Ill.
Byron	Gehrmann	Murdock, Utah	Smith, Va.
Celler	Geyer, Calif.	Myers	Somers, N. Y.
Chapman	Green	O'Brien	Steagall
Clark	Griffith	O'Leary	Sumners, Tex.
Cole, Md.	Hall, Leonard W.	O'Neal	Sweeney
Crosser	Hart	Osmers	Taylor
Culkin	Hartley	Pfeifer	Tinkham
Cummings	Hawks	Pierce	West
Darrow	Healey	Randolph	Wheat
Dies	Hennings	Reece, Tenn.	Wigglesworth
Ditter	Holmes	Risk	Wolfenden, Pa.
Douglas	Jarrett	Romjue	Wolverton, N. J.
Dowell	Kelly	Routzohn	Wood
Evans	Keogh	Sabath	

The SPEAKER. Three hundred and thirty-six Members have answered to their names, a quorum.

Further proceedings under the call were dispensed with.

EXTENSION OF REMARKS

Mr. LUTHER A. JOHNSON. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and include therein an editorial on trade agreements.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

ANNOUNCEMENT

Mr. HALLECK. Mr. Speaker, I wish to announce that my colleagues the gentleman from Virginia [Mr. SMITH], the gentleman from Utah [Mr. MURDOCK], the gentleman from Massachusetts [Mr. HEALEY], and the gentleman from Ohio [Mr. ROUTZOHN] are necessarily detained by reason of a meeting of the Special Committee to Investigate the National Labor Relations Board.

EXTENSION OF REMARKS

Mr. MARTIN of Iowa. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and include therein an address I delivered over station WSUI on our national-defense system.

The SPEAKER. Is there objection to the request of the gentleman from Iowa?

There was no objection.

Mr. WOODRUFF of Michigan. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD by printing an editorial from the Chicago Herald-Examiner on reciprocal-trade agreements.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. MANSFIELD asked and was given permission to extend his own remarks in the RECORD.

Mr. BOREN. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and include therein a copy of a letter I have written my colleagues on the subject of soil conservation.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

Mr. EDMISTON. Mr. Speaker, I ask unanimous consent that my colleague the gentleman from West Virginia [Mr. RANDOLPH], who is ill in a hospital, may be permitted to extend his own remarks in the RECORD on the subject of mine safety and the Dies committee.

The SPEAKER. Is there objection to the request of the gentleman from West Virginia?

There was no objection.

INDEPENDENT OFFICES APPROPRIATION BILL, 1941

Mr. WOODRUM of Virginia. 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. 7922) making appropriations for the Executive Office and sundry independent executive bureaus, boards, commissions, and offices, for the fiscal year ending June 30, 1941, and for other purposes.

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. 7922), with Mr. WARREN in the chair.

The Clerk read the title of the bill.

The Clerk read as follows:

Salaries and expenses: For every expenditure requisite for and incident to the work of the Council of Personnel Administration, created by section 7 of Executive Order No. 7916, dated June 24, 1938, including personal services in the District of Columbia; traveling expenses, including, when specifically directed by the chairman, not exceeding $800 for expenses of attendance at meetings concerned with the furtherance of the work of the council; printing and binding; books of reference and periodicals; and the payment of actual transportation expenses and not to exceed $10 per diem in lieu of subsistence and other expenses of persons serving while away from their homes, without other compensation from the United States, in an advisory capacity to the council, $25,040.

Mr. DIRKSEN. Mr. Chairman, I make the point of order against the section beginning on line 20, page 15, and ending on line 9, page 16, that it is not authorized by law.

Mr. WOODRUM of Virginia. Mr. Chairman, undoubtedly there is language in this section which changes existing law, particularly the language on page 16 beginning on line 4, after the word "periodicals" and reading as follows:

and the payment of actual transportation expenses and not to exceed $10 per diem in lieu of subsistence.

This language unquestionably changes existing law and would make the paragraph subject to a point of order. I concede the point of order, Mr. Chairman.

The CHAIRMAN (Mr. WARREN). The gentleman from Illinois makes a point of order against the paragraph, and the gentleman from Virginia concedes the point of order. The point of order is therefore sustained.

The Clerk read as follows:

Electric Home and Farm Authority, salaries and administrative expenses: Not to exceed $600,000 of the funds of the Electric Home and Farm Authority, established as an agency of the Government by Executive Order No. 7139 of August 12, 1935, and continued as such agency until June 30, 1941, by the act of March 4, 1939 (Public Act No. 2, 76th Cong.), shall be available during the fiscal year 1941 for administrative expenses of the Authority, including personal services in the District of Columbia and elsewhere; travel expenses, in accordance with the Standardized Government Travel Regulations and the act of June 3, 1926, as amended (5 U. S. C. 821–833); not exceeding $3,000 for expenses incurred in packing, crating, and transporting household effects (not exceeding 5,000 pounds in any one case) of personnel when transferred in the interest of the service from one official station to another for permanent duty when specifically authorized in the order directing the transfer; printing and binding; lawbooks and books of reference; not to exceed $200 for periodicals, newspapers, and maps; procurement of supplies, equipment, and services; typewriters, adding machines, and other labor-saving devices, including their repair and exchange; rent in the District of Columbia and elsewhere; and all other administrative expenses: *Provided*, That all necessary expenses (including legal and special services performed on a contract or fee basis, but not including other personal services) in connection with the acquisition, care, repair, and disposition of any security or collateral now or hereafter held or acquired by the Authority shall be considered as nonadministrative expenses for the purposes hereof.

Mr. CASE of South Dakota. Mr. Chairman, I make the point of order against the paragraph that it contains legislation in the proviso beginning on page 21, line 3, and reading as follows:

Provided, That all necessary expenses (including legal and special services performed on a contract or fee basis, but not including other personal services) in connection with the acquisition, care, repair, and disposition of any security or collateral now or hereafter held or acquired by the Authority shall be considered as nonadministrative expenses for the purposes hereof.

I make the point of order merely against the proviso, Mr. Chairman, not against the paragraph.

The CHAIRMAN. Does the gentleman from Virginia desire to be heard on the point of order?

Mr. WOODRUM of Virginia. I do not, Mr. Chairman.

The CHAIRMAN (Mr. WARREN). As the language pointed out by the gentleman from South Dakota [Mr. CASE] attempts to construe existing law, the Chair believes the point of order is well taken. The point of order is, therefore, sustained, and the proviso is stricken out.

The Clerk read as follows:

Export-Import Bank of Washington, salaries and administrative expenses: Not to exceed $125,000 of the funds of the Export-Import Bank of Washington, established as an agency of the Government by Executive Order No. 6581 of February 2, 1934, and continued as such agency until June 30, 1941, by the act approved March 4, 1939 (Public Act No. 3, 76th Cong.), shall be available during the fiscal year 1941 for administrative expenses of the bank, including personal services in the District of Columbia and elsewhere; travel expenses, in accordance with the Standardized Government Travel Regulations and the act of June 3, 1926, as amended (5 U. S. C. 821–833); printing and binding; lawbooks and books of reference; not to exceed $250 for periodicals, newspapers, and maps; procurement of supplies, equipment, and services; typewriters, adding machines, and other labor-saving devices, including their repair and exchange; rent in the District of Columbia and elsewhere; and all other necessary administrative expenses: *Provided*, That all necessary expenses (including special services performed on a contract or fee basis, but not including other personal services) in connection with the acquisition, operation, maintenance, improvement, or disposition of any real or personal property belonging to the bank or in which it has an interest, including expenses of collections of pledged collateral, shall be considered as nonadministrative expenses for the purposes hereof.

Mr. SCHAFER of Wisconsin. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. SCHAFER of Wisconsin: On page 21, beginning in line 10, strike out the entire paragraph down to and including line 11 on page 22.

Mr. SCHAFER of Wisconsin. Mr. Chairman, our rapidly mounting national debt has now passed the $42,000,000,000 mark. In addition, we have about $8,000,000,000 of obligations which our Federal Government has guaranteed. For many years the Federal Government has been going in the red several billion dollars each year. No country can continue indefinitely to spend $2 for every dollar which is collected in taxes and remain solvent.

We hear a great deal of talk about danger to America. We have appropriated almost $2,000,000,000 for the next fiscal year for our national defense. But, Mr. Chairman, the real danger to America does not lie in danger from without but from within. That martyred Republican President, Abraham Lincoln, once said, in referring to the potential dangers to our country and our institutions, that because of geographical location the danger would not come from without but from within. The $42,000,000,000 national debt, which is mounting at a rapid pace each day, and our huge annual continuing deficits are a real danger to America.

We hear Democrats and Republicans—Jeffersonian Democrats and left-wing Moscow New Deal Democrats—preach and prattle about economy and the necessity to economize here and economize there in order to reduce the expenditures of our Federal Government.

Mr. Chairman, through the vehicle of the Export-Import Bank our almost bankrupt Federal Treasury is raided day after day and many millions of dollars extracted therefrom—not for the benefit of America, but to enable our New Deal brethren to play Santa Claus in a big way to foreign nations and to people in foreign lands.

I sincerely hope that all advocates of true economy will support this amendment and send word to the country that in view of the danger to America by reason of our large continuing annual deficits and rapidly mounting, stupendous national debt, Democratic and Republican Members of Congress are going to stop Uncle Sam from playing Santa Claus, to the tune of many millions of dollars, for foreign countries and people in foreign lands. We should do this particularly in view of the record with respect to the failure of foreign countries to pay principal or interest on more than $13,000,000,000 which they owe to the Treasury of the United States, and more than $2,000,000,000 which they owe our own private investors—this default notwithstanding the fact that most of our foreign debtor nations have billions of dollars to build and maintain huge military establishments, engage in war, and loan other nations hundreds of millions of dollars.

Mr. HOUSTON. Mr. Chairman, will the gentleman yield?

Mr. SCHAFER of Wisconsin. I yield to the gentleman.

Mr. HOUSTON. Is it not a fact that the Export-Import Bank has shown an enormous profit ever since it has been in existence, and is it not one of the self-sustaining institutions of the Government?

Mr. SCHAFER of Wisconsin. I do not care what kind of temporary profit is involved, because in the end we will find that the bank has sustained huge losses. If the bank is such a profitable institution, why is it continually asking the Congress to provide funds for it? We should be moving to collect the $15,000,000,000 owed us by foreign nations instead of continuing to hand them more millions.

[Here the gavel fell.]

Mr. SCHAFER of Wisconsin. Mr. Chairman, I ask unanimous consent to proceed for 2 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. SCHAFER of Wisconsin. It is time for Uncle Sam to stop playing Santa Claus for foreign nations and their nationals. All of the Members of Congress realize the unemployment in our own American textile industry. Notwithstanding that unemployment we saw headlines in the press a week or so ago indicating that the Export-Import Bank had raided our almost bankrupt Federal Treasury and advanced about $6,000,000 to textile manufacturers; not American textile manufacturers who are in a bad financial condition, not for the benefit of workers in American textile institutions, but an advance of $6,000,000 from our United States Treasury to subsidize textile manufacturers in Italy, a country which now owes America more than $2,000,000,000 and refuses to pay one penny of interest thereon.

In closing, I wish to say to those who continually talk economy that I will follow the slogan of the President in this matter. What we want is action, more action and less talk about economy. You now have an opportunity to act. To act in the interest of economy. To act in the interest of America. To act in the interest of our national defense by voting for this amendment and thereby prevent Uncle Sam from continuing to be an international sucker and Santa Claus for people in foreign lands. [Applause.]

[Here the gavel fell.]

Mr. WOODRUM of Virginia. Mr. Chairman, I ask unanimous consent that all debate on this section and all amendments thereto close in 5 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Virginia?

There was no objection.

Mr. WOODRUM of Virginia. Mr. Chairman, my good friend would eliminate from this bill one of the few money-making activities it has in it. If the Export-Import Bank could do enough business, if it were economical and desirable to permit them to do enough business—and I am not now prepared to say it should be expanded at all—they might show an even greater profit. Certainly what they have done so far has not been any drain on the Public Treasury or caused any increase in the national debt. They get their money from the Reconstruction Finance Corporation through investment by the Corporation in the bank's preferred stock. Of course, if, ultimately, they lose that capital then it will be a potential loss to the Treasury, but so far they have had no losses whatever; and not only that, but their administrative expenses heretofore have been less than $100,000 a year.

Their profits in 1936 were $170,000; in 1937, $797,000; in 1938, $885,000; and in 1939, $1,744,000.

Now, what do they do with these loans? They make loans for the purpose of enabling foreign governments or organizations to buy industrial products and agricultural products in America, including dairy products, and pay for them and export them. I wish every Member of the House would read carefully the hearings held before our committee. As I have said, this is one of the few organizations that is really self-sustaining, and I hope the gentleman's amendment will not be agreed to.

[Here the gavel fell.]

The CHAIRMAN. The question is on the adoption of the amendment offered by the gentleman from Wisconsin [Mr. SCHAFER].

The amendment was rejected.

The Clerk read as follows:

Not to exceed $2,000,000 of the funds of the Reconstruction Finance Corporation, advanced or to be advanced to the Federal Housing Administration under authority of the National Housing Act of June 27, 1934 (48 Stat. 1246), as amended, and not to exceed $3,000,000 of the funds (after the allowance of said $1,200,000 for administrative expenses) in the account in the Treasury comprised of premiums collected under authority of section 2 (f), title I, of the National Housing Act, as amended, shall be available for the payment of losses under insurance granted under section 2 and section 6, title I, of said act.

Mr. GIFFORD. Mr. Chairman, I move to strike out the last word, to call attention very briefly to that paragraph which is constantly appearing where nonadministrative expenses are mentioned as foreclosing, repairing, preservation, and final sale of properties, real and personal, that the Government has to take over in its loaning activities. Someone said last year that the Government is getting to be a glorified pawn shop. It seems strange to me that this should be classed as wholly nonadministrative. Do not the regular officials and administrators have to be called upon to act in these foreclosure measures and in the taking and sale of property? Do you need wholly outside help for all of these things, or cannot the regular officials perform most of these duties? Are these bureaus to be credited for extra work and thus enabled to increase authorized amounts? It seems to me like a conglomeration of duties trying to be separated, which cannot possibly be separated, and I do want to call the attention to the fact that we find now, constantly, this lan-

guage in these appropriation bills. It would seem that costs of foreclosure, preservation, and sale, and other expenses ought not to appear as nonadministrative expense. If there is any suggestion to be made by the committee, out of my time, I should like to hear it. I should like to have someone tell me how we can divide those services, why the regular force cannot take care of these administrative duties. Am I not right?

Mr. DIRKSEN. Certainly.

Mr. GIFFORD. The gentleman says that I am exactly right. I thought I was.

The CHAIRMAN. The time of the gentleman from Massachusetts has expired.

The Clerk read as follows:

Not to exceed $22,000,000 of the funds of the Home Owners' Loan Corporation, established by the Home Owners' Loan Act of 1933 (48 Stat. 128), shall be available during the fiscal year 1941 for administrative expenses of the Corporation, including personal services in the District of Columbia and elsewhere; travel expenses, in accordance with the Standardized Government Travel Regulations and the act of June 3, 1926, as amended (5 U. S. C. 821–833); expenses (not to exceed $3,500) of attendance at meetings concerned with the work of the Corporation when specifically authorized by the Board of Directors; printing and binding; lawbooks, books of reference, and not to exceed $500 for periodicals and newspapers; procurement of supplies, equipment and services; maintenance, repair, and operation of motor-propelled passenger-carrying vehicles, to be used only for official purposes; typewriters, adding machines, and other labor-saving devices, including their repair and exchange; rent in the District of Columbia and elsewhere; use of the services and facilities of the Federal Home Loan Bank Board, Federal home-loan banks, and Federal Reserve banks; and all other necessary administrative expenses: *Provided*, That all necessary expenses (including services performed on a force account, contract or fee basis, but not including other personal services) in connection with the acquisition, protection, operation, maintenance, improvement, or disposition of real or personal property belonging to the Corporation or in which it has an interest, shall be considered as nonadministrative expenses for the purposes hereof: *Provided further*, That except for the limitations in amounts hereinbefore specified, and the restrictions in respect to travel expenses, the administrative expenses and other obligations of the Corporation shall be incurred, allowed, and paid in accordance with the provisions of said Home Owners' Loan Act of 1933, as amended (12 U. S. C. 1461–1468).

Mr. CASE of South Dakota. Mr. Chairman, I make the point of order that the proviso beginning in line 5, on page 29, dealing with nonadministrative expenses tends to construe existing law and is legislation on an appropriation bill.

Mr. WOODRUM of Virginia. Mr. Chairman, will the gentleman reserve that and permit me to make a brief statement?

Mr. CASE of South Dakota. Certainly.

Mr. WOODRUM of Virginia. Mr. Chairman, the provision that appears in all these agencies for which we do not make specific appropriation but permit them to use their own funds, similar to this provision providing that funds in connection with the acquisition and sale of property they have to take in shall not be considered administrative expenses, is for this purpose. If a property is recalled or foreclosed by the Home Owners' Loan Corporation, we will say, and it is sold by the Home Owners' Loan Corporation, the funds involved in that transaction have never been appropriated by Congress. They are not carried in this appropriation bill. The funds are paid by the Home Owners' Loan Corporation. They have to pay for the recording of the deed and in some isolated places where they have no attorney, they have to pay an attorney's fee or some other fee in connection with the acquisition, disposition, or maintenance or repair of property. Funds never having been appropriated by Congress, this language gives them permission to handle those accounts without going through the necessary routine of having a special appropriation for all of them. It is subject to a point of order unquestionably, but to strike it out will seriously cripple the operations of the Home Owners' Loan Corporation and it will increase the cost of their operation.

The CHAIRMAN. Does the gentleman from South Dakota insist upon his point of order?

Mr. CASE of South Dakota. Mr. Chairman, this point of order could clearly be made against this clause in all of these loan-agency items. I have made it in this particular case because it seems to me justification should be made by this agency and legislative authorization secured for it. It seems to me that in the matter which the gentleman from Virginia cites, there has been too much abuse and too much laying of redemption costs against those who have been foreclosed from their homes, by the employment of special attorneys and the assessing of other foreclosure costs. In this instance I insist upon the point of order.

The CHAIRMAN. The point of order is sustained and the Clerk will read.

The Clerk read as follows:

Construction outside the District of Columbia: For continuation of construction of, and acquisition of sites for, public buildings outside of the District of Columbia, including the purposes and objects, and subject to the limitations specified under this head in the Third Deficiency Appropriation Act, fiscal year 1937 (50 Stat. 773), as supplemented by the Federal Public Buildings Act, 1938, and also including those increases in the limits of cost of certain authorized projects, 25 in number, as specified in House Document No. 177, Seventy-sixth Congress, $15,000,000: *Provided*, That the provisions of section 322 of the act of June 30, 1932 (47 Stat. 412), shall not apply with respect to the rental of temporary quarters for housing Federal activities during the replacement or remodeling of buildings authorized under this or previous acts.

Mr. O'CONNOR. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. O'CONNOR: On page 41, line 7, after the word "Congress," strike out "$15,000,000" and insert "$37,000,000."

Mr. O'CONNOR. Mr. Chairman, I ask unanimous consent to proceed for an additional 5 minutes.

The CHAIRMAN. Without objection it is so ordered.

There was no objection.

Mr. O'CONNOR. Mr. Chairman, by Public Act No. 354, an act of Congress passed August 27, 1937, the Congress authorized the appropriation of $70,000,000 for the purpose of constructing post-office buildings outside the District of Columbia and used this language:

There is hereby authorized to be appropriated a total amount of $70,000,000 for expenditure over a period of 3 years.

You will note that this amount was authorized by Congress practically with the direction that it be used over a period of 3 years for the construction of post-office buildings. The 3 years would begin in August 1937, and will expire in August 1940, this year. This amount was increased by the Congress, as shown by Public Resolution 122, which used this language:

Construction of public buildings outside the District of Columbia. Total amount authorized to be appropriated for the 3-year program for the acquisition of sites and construction of public buildings by the paragraph under the caption "Emergency Construction of Public Buildings Outside the District of Columbia," contained in the Third Deficiency Appropriation Act, fiscal year 1937, approved August 31, 1937, is hereby increased from $70,000,000 to $130,000,000.

In other words, we have an authorization by the Congress in these two specific acts, the second act embodying the provisions of the first act, with reference to building these buildings over a period of 3 years, with no provision as to the amount to be used in any specific year, out of which has been appropriated up to date $89,000,000. This is shown by the testimony offered before this committee:

Mr. REYNOLDS. We will have $89,000,000, plus $15,000,000, which is $104,000,000, leaving $26,000,000 (regular testimony, p. 1342, hearings).

Right there I want to say this bill carries an appropriation of the heretofore authorized amount of $15,000,000, heretofore authorized by the two acts of Congress referred to. So the Congress intended in the original act of 1937 that these places needing post-office buildings throughout the United States would get at least 2 buildings during 3 years, as suggested by the distinguished gentleman from Virginia when I interrogated him about this matter when he was making his opening statement. It provided for 2 buildings in each district in the United States out of this fund. We are now

providing for an appropriation for the 1940 construction of these post-office buildings, which is a continuation of the program directed by the Congress in the act of August 1937. Why leave this $26,000,000 there when we need post offices? The Congress authorized it—in fact, directed it in 1937. In my own district I have 16 eligible cities, declared to be eligible by the Post Office Department. In those cities we do not have a Federal building. In those cities we have the various Federal agencies stuck around in any place they can get for them. Down in the courthouse—in my own town we have to put them in the basement of our courthouse because there is no other place for them. There is not a Federal building in those 16 towns that I speak about. No doubt similar conditions exist in other districts.

Mr. BECKWORTH. Will the gentleman yield?

Mr. O'CONNOR. I yield to the gentleman.

Mr. BECKWORTH. The gentleman's amendment does not provide for an appropriation in excess of the amount that has already been authorized to be spent within the 3 years beginning in 1937?

Mr. O'CONNOR. The gentleman is correct about that. As a matter of fact, if my amendment is adopted there will be $4,000,000 of the amount authorized still unappropriated. There is not any reason why we cannot put some of these idle people to work in the building of post offices where they are needed, particularly so when the Congress practically directed it in 1937. Why leave $26,000,000 unappropriated?

Mr. BECKWORTH. I am very much for the amendment, because, like in the gentleman's district, I have 10 cities in my district that desire a Federal building, and they are urging now that they are entitled to it because of previous reports they have received.

Mr. O'CONNOR. I thank the gentleman for his contribution. He is always working for the interests of his people. As a matter of fact, the Post Office Department has published throughout the United States an eligible list of post offices, and the people in those towns feel this way about it: That inasmuch as they are declared to be eligible, they think the money is here to be appropriated for the construction of those buildings, and they feel that their Congressmen are derelict in their duty in not getting the post-office buildings in the eligible places.

Mr. SCHAFER of Wisconsin. Will the gentleman yield?

Mr. O'CONNOR. I yield.

Mr. SCHAFER of Wisconsin. The gentleman asked why did they not appropriate the full amount to build post offices in the United States. I would like to give the gentleman the answer: Because the Federal Treasury is almost bankrupt; and if they use that full amount, they would not have the money so that the Export-Import Bank might build post offices and textile mills in foreign lands.

Mr. O'CONNOR. I will say this to the House: That certainly where Congress authorized this in 1937, practically directed it insofar as they could, why cannot the Congress today carry out that direction and provide the funds to build these buildings where they are absolutely necessary?

There is no question but what we have the authority, and these buildings are necessary, particularly in view of the various Federal agencies that have been crowded into private buildings since 1933. The great majority of these buildings are insufficient to house the Federal agencies as well as take care of the needs of the Postal Service. I can point out one city in my district, Wolf Point, where the postal receipts for one-quarter of the year amounted to over $5,000, yet we cannot get a single encouragement for a post-office building to house not only the post office but to provide space also for the various Federal agencies that exist there.

Mr. NORRELL. Mr. Chairman, will the gentleman yield?

Mr. O'CONNOR. I yield.

Mr. NORRELL. Is it not also true that if Federal buildings were constructed in these towns the Government would save thousands of dollars per month in rentals?

Mr. O'CONNOR. Yes. The gentleman developed a good point, and I thank him for it, and in addition would not only save thousands of dollars on post-office rentals but in addition thousands for rentals being paid by various Federal agencies housed in private buildings.

Mr. Chairman, I yield back the balance of my time.

Mr. WOODRUM of Virginia. Mr. Chairman, I ask unanimous consent that all debate on this paragraph and all amendments thereto close in 3 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Virginia?

There was no objection.

Mr. WOODRUM of Virginia. Mr. Chairman, in the Federal Buildings Act of 1938 we increased the building program for buildings outside of the District of Columbia, and these are the post-office buildings in the various districts; we increased the authorization from $70,000,000 to $130,000,000, providing for a 3-year program, under the terms of which the Public Buildings Commission promised that it would provide two buildings for each congressional district where the congressional district could qualify with eligible projects. This program has been under way. Twenty-six million dollars remains to be appropriated in the next session of Congress to carry this program forward, but the Buildings Commission had their program laid out. They have a force of people engaged upon the work. It would do no good to include additional money for this purpose in this bill unless it is meant that this Commission shall mushroom their organization of architects, engineers, and others and speed up their program in the acquisition of sites. Unless this is done, any additional appropriation could not be used.

Mr. O'CONNOR. Mr. Chairman, will the gentleman yield?

Mr. WOODRUM of Virginia. I yield.

Mr. O'CONNOR. If we are to carry out the 3-year program we shall have to do it during this session of Congress, because by the time the next session of Congress convenes more than 3 years will have elapsed from 1937.

Mr. WOODRUM of Virginia. But we shall still get the buildings, and this is a mighty poor time, in addition to all those good and sufficient reasons, this is a mighty poor time for Members of Congress to be here cutting everything else, yet stepping up and speeding up the building of post offices in their districts. Undoubtedly there are many instances where a good case can be made out for the erection of a public building on the ground of saving rent, but this is not the time to do it, for we have not got the money with which to do it.

[Here the gavel fell.]

The CHAIRMAN. The time of the gentleman from Virginia has expired; all time has expired.

The question is on the amendment offered by the gentleman from Montana.

The amendment was rejected.

The Clerk read as follows:

Section 3709 of the Revised Statutes shall not apply to any purchase by or service rendered for any office or agency of the Federal Works Agency, when the aggregate amount involved in any such case does not exceed the sum of $100.

Mr. SMITH of Ohio. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. SMITH of Ohio: On page 48, line 14, after the word "exceed", strike out "$4,550,000" and insert in lieu thereof "$450,000."

Mr. WOODRUM of Virginia. Mr. Chairman, I make a point of order against the amendment on the ground that it comes too late. We have already read not only past the paragraph but past the page where this amendment is offered.

The CHAIRMAN. The point of order is sustained.

Mr. LUCE. A parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. LUCE. May I ask where the proper place would be to insert an amendment before the next part of the bill headed by capitals?

The CHAIRMAN. The Chair was unable to hear all of the inquiry by the gentleman from Massachusetts.

Mr. LUCE. May I ask how far the bill has been read?

The CHAIRMAN. Down through the bottom of page 50. The only paragraph under the heading "United States Housing Authority" that would now be subject to amendment would be the last four lines on page 50.

Mr. LUCE. Mr. Chairman, if I recollect the practice of the House, it has always been to include everything under a heading for amendment.

The CHAIRMAN. It has been the practice of the House from time immemorial to read appropriation bills by paragraphs.

Mr. LUCE. Mr. Chairman, I ask unanimous consent to return to page 48 for the purpose of offering an amendment.

The CHAIRMAN. Is there objection to the request of the gentleman from Massachusetts?

Mr. WOODRUM of Virginia. Mr. Chairman, I shall be compelled to object, much as I hate to object to any request submitted by the distinguished gentleman from Massachusetts.

The CHAIRMAN. The gentleman from Virginia objects.

Mr. LUCE. Mr. Chairman, I move to strike out the last word.

The CHAIRMAN. The gentleman from Massachusetts is recognized for 5 minutes.

Mr. LUCE. Mr. Chairman, it is the intention of the Committee on Appropriations to put in the hands of the United States Housing Authority, which is charged with slum clearance, $152,000 for publicity purposes. This Authority has already issued a large number of pamphlets, addresses, speeches, folders, matter of all sorts, carrying accounts of its work. Anyone who has examined them from time to time must admire their typography, must marvel at their ingenuity, and must wonder at the scope and value of this mass of publicity.

At present the Authority is engaged in encouraging localities to embark on slum-clearance projects. In the city of Cambridge, in my district, they recently succeeded in securing an endorsement of such projects. The opponents had at their command only such funds as they raised by private contribution. The Authority had this huge sum of money at hand to publicize one side in a campaign where there was really chance for arguments on both sides. The critics did not have a fair showing and the projects were approved. There are other places where already proposals of this sort have been rejected. Public-spirited citizens, with the welfare of the community at heart, have been able to convince the electorate of the folly of these things in certain cities and towns. To defeat opposition to these projects, I repeat, the advocates have at their command a huge sum of money with which to persuade the electorate, whereas the critics must rely on the contributions of individual citizens who think the projects unwise. I can imagine no explanation for the appropriation of $152,000 for the purpose of advancing only one side of an argument.

I am not here criticizing this Authority, and I have much sympathy with slum clearance, but there are places in this country where the money ought not to be spent.

Mr. MAY rose.

Mr. LUCE. A Member of the House from a State adjacent to that of the gentleman who is seeking to interrogate me, living in a town where a movement for alleged slum clearance had been started, told me a year ago that such a project was not wanted; it was not needed; it was unwise; it was folly. It did not prevail.

Mr. MAY. Will the gentleman yield?

Mr. LUCE. With pleasure.

Mr. MAY. Does the gentleman know anything about where they get the funds with which they run these numerous slides that they show in the picture shows all over the country from time to time?

Mr. LUCE. I do not know. I only know it is a one-sided presentation of a doubtful case. It is folly to give them $152,000 to fight for a principle that calls only for limited application. Already it has been shown that this matter is in the experimental stage. They are groping their way; they are trying to devise a system by which housing may be advanced. That is desirable, but it is not a matter for speed. Meantime we ought not to throw away funds of the United States in helping, as I repeat and repeat again, to present one side of a case.

Mr. GORE. Will the gentleman yield?

Mr. LUCE. I yield to the gentleman from Tennessee.

Mr. GORE. If they will tell the truth about either side of it, it would be well spent.

[Here the gavel fell.]

Mr. FITZPATRICK. Mr. Chairman, I rise in opposition to the pro forma amendment in order to make an explanation.

The Budget recommended $227,000. An amendment was offered by the gentleman from South Dakota [Mr. CASE] to reduce it $75,000. The subcommittee, as well as the Committee of the Whole, reduced the amount recommended by the Budget $75,000. The $152,000 is to be spent in connection with the collection, preparation, and dissemination of information concerning the activities of the Housing Authority. This amount seems reasonable where the Authority has been authorized to spend $650,000,000, and during the next year $425,000,000 of that authorization will be spent. The committee thought that the recommendation made by the gentleman from South Dakota [Mr. CASE] was a reasonable one, and we adopted his recommendation and reduced the Budget request by $75,000.

A RESTRICTION, NOT A PERMISSION

Mr. CASE of South Dakota. Mr. Chairman, I move to strike out the last two words.

Mr. Chairman, I appreciate the remarks of the genial gentleman from New York [Mr. FITZPATRICK], but I would not want the RECORD at this point to go out with the implication that the Committee was seeking to give the United States Housing Authority permission to spend $152,000 for this purpose. As a matter of fact, we were trying to keep them from spending the $227,104 that they requested.

I have in my hand the attempted justification on the Information Division which the Housing Authority brought before us. There is an asterisk by the side of the figure $225,104 and the asterisk footnote reads:

> This represents a decrease of $45,426 from the fiscal year 1940.

We were not deterred by that self-righteous asterisk. We cut the request another $75,000. In other words, the limitation which we put in this bill cuts the United States Housing Authority by $120,426 from what they were using for this purpose in the current fiscal year.

I want to call attention to one or two items in this exhibit, because they will help answer the question asked by the gentleman from Kentucky [Mr. MAY], who wanted to know where these slides come from. In this informational service within the United States Housing Authority they have a coordination section, they have a press-service section, they have an editorial section, they have an information section, and they have an exhibit section. This exhibit section, Mr. Chairman—

> Prepares for illustration, public education, and displays, visual and other representation, and, as directed by the motion picture and radio section, assists in the production of recorded transcriptions for radio broadcasts and in the production of motion-picture film.

Then they also have a motion-picture and radio section.

In the items for positions for which they seek this money, they have the following under the head of "Professional service":

Grade 2, architect model maker, one at $2,700.
Grade 1, junior architect, one at $2,200.
Grade 7, principal diorama modeler, two at $2,650,
A principal illustrator, at $2,300,
Five senior diorama modelers, at $2,180,
One senior electrician, at $2,200,
Two editorial writers, at $2,650,
One senior informational analyst, at $2,600,
Two junior informational analysts, at $2,450.
One photographer, at $2,600, and
Three senior editorial clerks, at $2,223.

All these to sell subsidized housing to the supposed beneficiaries.

Then, included in some of the other items of expense is an item of $9,600 for travel, which probably explains why they can go up to Massachusetts and put on this campaign that the gentleman [Mr. LUCE] speaks of. There is $40,000 for printing, $10,000 for rents, and special and miscellaneous expense, $13,800.

I do not know how they are going to break this down with the reduction of $75,000, but I may say the committee talked this matter over and while some of us would like to have reduced it far more than $152,000, this seemed to be the best limitation on which we could get agreement. To explain why this figure is in here, it was not to grant permission, it was to establish a restriction to keep them from spending $75,000 more. [Applause.]

[Here the gavel fell.]

Mr. SMITH of Ohio. Mr. Chairman, I rise in opposition to the pro forma amendment.

Mr. Chairman, my principal objection to this activity is that it is the rankest sort of communism. After all, what is communism? The Encyclopedia Britannica defines it as the abolition of private property and its absorption into the state. Karl Marx defines it as simply the abolition of private property. This is a program that proposes the abolition of private property in the amount of anywhere between $20,000,000,000 and $40,000,000,000 and its absorption into the Federal Government. What could be more communistic than Federal ownership of our homes—the most-sacred possession of our family, the very foundation of all property rights and of civilization itself?

This thing of putting out to the people the propaganda that these projects are owned locally is all false. That argument has already been exposed. These are Federal projects, and they are just as completely owned by the Federal Government as is a post office or any other public building. We know now that no part of the rents goes to pay the interest and the amortization of the so-called loans; in fact, we know that no loan whatsoever is made and that the local housing authorities are merely dummies set up by the United States Housing Authority to carry on its financial manipulations.

Now, what do we do? We pay $100,000 for the Dies committee to investigate communism and then we allow $152,000 to the United States Housing Authority to promote communism. [Applause.] I say to you, Mr. Chairman, it is about time to wake up and see where our communism is coming from. Right within our own Congress. We do not need to worry about the outside; that is a small thing as compared with this. I am branding this as the rankest communistic scheme that can be devised. Further, the United States Housing Authority is one of the most deceptive pieces of legislation ever placed on the statute books anywhere. [Applause.]

[Here the gavel fell.]

Mr. LUCE. Mr. Chairman, I renew my unanimous-consent request to return to page 49 for the purpose of offering an amendment.

Mr. WOODRUM of Virginia. Mr. Chairman, I make the same objection.

The Clerk read as follows:

FOREIGN-SERVICE PAY ADJUSTMENT

Foreign-service pay adjustment of officers and employees of the United States in foreign countries due to appreciation of foreign currencies: For the purpose of carrying into effect the provisions of the act entitled "An act to authorize annual appropriations to meet losses sustained by officers and employees of the United States in foreign countries due to appreciation of foreign currencies in their relation to the American dollar, and for other purposes," approved March 26, 1934 (U. S. C., Supp. IV, title 5, sec. 118c), and for each and every object and purpose specified therein, $1,280,000.

Mr. SCHAFER of Wisconsin. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. SCHAFER of Wisconsin: On page 51, strike out all of lines 1 to 11, inclusive.

Mr. SCHAFER of Wisconsin. Mr. Chairman, I offer this amendment in order to call attention to the biggest sell-out of any country in the history of the world, the New Deal gold and silver sell-out of America. We could naturally expect that when we find as Chief Executive under the New Deal administration a man who has been an international banker on many fronts and who has been interested in currency manipulations in foreign countries.

Mr. WOODRUM of Virginia. Mr. Chairman, I make the point of order that the gentleman is not speaking to the amendment.

Mr. SCHAFER of Wisconsin. I should like to be heard on the point of order, Mr. Chairman. When you build a building you lay your foundation. I am laying the foundation for my talk on the pending amendment.

The CHAIRMAN. Of course, the gentleman should understand that under the rules of the House he must confine himself to his amendment.

Mr. SCHAFER of Wisconsin. Mr. Chairman, I am doing that precisely. When you build a building you must lay the foundation before you erect the edifice. I am laying the foundation for my talk on the pending amendment.

The paragraph which I have moved to strike out adds a charge of $1,280,000 on our almost bankrupt Federal Treasury. This charge directly results from the New Deal gold policy of debasing our American dollar and reducing its gold content to 59 cents. This paragraph provides that in connection with the small total amount of salaries received by our Government employees in foreign lands an appropriation of $1,280,000 is to be made for a 1-year period because of the appreciation of foreign currencies and the consequent benefit to foreigners in foreign lands as a result of reducing the gold content of our American dollar.

I hope that after the 1940 election we will again return to sound money, so that we will not need such appropriations in the future. Mr. Chairman, after the New Deal forced American citizens to turn in all their gold to Uncle Sam for $20.67 an ounce or go to the jailhouse for 5 years, the New Deal imported from foreign countries more than $12,000,000,000 worth of gold at $35 an ounce. I say that is playing Santa Claus to foreign owners, producers, and speculators in gold in an almost unbelievable and unheard of manner.

Of course, this was done under the New Deal administration and was suggested by a New Deal agricultural professor, Mr. Warren, who admitted that he was a miracle man, perhaps following in the footsteps of Joshua. He admitted that he tried to change the measure of daylight with a device to light up the hen houses so as to fool the chickens into believing night was day so that they would lay two eggs each day instead of one. This New Deal professor admitted that his device would not work but killed the chickens. He, however, did perfect the New Deal gold policy invention with reference to lighting up the home of the goose which laid the golden egg so the goose will lay two eggs instead of one. The record shows, however, that all the geese who lay two golden eggs instead of one are in foreign lands, and our overburdened

American taxpayers have paid many billions of dollars to feed these foreign geese. [Laughter and applause.]

The CHAIRMAN. The question is on the amendment offered by the gentleman from Wisconsin.

The amendment was rejected.

The Clerk read as follows:

Total, General Accounting Office, $5,306,540.

Mr. VOORHIS of California. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, when the gentleman from Michigan this afternoon spoke about the matter of the W. P. A. having people on its pay roll to investigate concerning Congressmen's opinions, and so on and so forth, I naturally was concerned about the matter. I have taken the trouble to find out a little more about it. I am informed by Colonel Harrington that the W. P. A. has no such employees, but what it does have is a small number of people whose job it is to correct anything which gives a wrong report concerning anything regarding the W. P. A., and also to try to keep track of what those reports are in order that the things that may be wrong can be corrected.

I find, for example, that there are three such people in the whole State of New York, and also that the report which was submitted by this Mr. Coyne, and which, unfortunately, contained some matters concerning the gentleman from New York [Mr. TABER], which I think should not have been in it, nevertheless this report was submitted, as a matter of fact, to a representative of the House Appropriations Committee, and that, I think, puts a little different complexion on the matter than would have been the case had it been a report to W. P. A., which it was not; and I am assured by Colonel Harrington, with all the vigor at his command, that W. P. A. never does anything like that and would not do anything like that.

Mr. BATES of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. VOORHIS of California. I yield.

Mr. BATES of Massachusetts. Did the gentleman ever hear of a personnel director or an officer assigned to a State having an opportunity to build up a political machine by the assignment of men to work and then running against a Member of the House for election to the House and when defeated by the sitting Member, going back to W. P. A. with a much better job than he had before? What does the gentleman think about that?

Mr. VOORHIS of California. I did not hear about that, and that is not what I am talking about. I will state flatly, however, that I think any use of a W. P. A. position for political advantage is wrong.

Mr. BATES of Massachusetts. The minority leader of the House will tell you that happened in his district.

Mr. HOFFMAN. Mr. Chairman, will the gentleman yield?

Mr. VOORHIS of California. I yield.

Mr. HOFFMAN. What does the gentleman think about a W. P. A. worker in a W. P. A. truck delivering campaign literature for a candidate?

Mr. VOORHIS of California. Of course, I do not think that should be done.

Mr. HOFFMAN. I will give you that so you can investigate that one, too.

Mr. VOORHIS of California. I will say to the gentleman, I believe that has happened on both sides of the aisle.

Mr. HOFFMAN. We have not been so lucky.

Mr. VOORHIS of California. Oh, yes; I think so. I do not think that has anything to do with this matter I am discussing. I did not get up here to make a political speech or anything of the sort. I simply wanted to make this matter plain and clear, and I want, at this time, to thank the gentleman from Michigan [Mr. WOLCOTT] for his kindness to me in helping me to try to find out about it. There is not anything else to it.

Mr. TABER. Mr. Chairman, will the gentleman yield for a question?

Mr. VOORHIS of California. I yield to the gentleman from New York.

Mr. TABER. The whole statement made in there by that W. P. A. outfit was false from the beginning. There is no question about it whatever. He was sent here for the purpose, deliberately, of trying to spy around. It is not an individual case, and the report was made to the headquarters in Washington. I know those things to be facts. We have had that same experience with the W. P. A. outfit from the beginning.

Mr. VOORHIS of California. This report was also submitted to the Appropriations Committee.

Mr. TABER. It was given to the W. P. A. investigating committee of the House, because they happened to think, in the first place, that he came from Washington.

Mr. VOORHIS of California. I hope the gentleman understands that I explained in my remarks, I thought what was in it was most unfortunate, and I do.

Mr. MURDOCK of Arizona. Mr. Chairman, will the gentleman yield?

Mr. VOORHIS of California. I yield to my distinguished colleague from Arizona.

Mr. MURDOCK of Arizona. I did not assume that the gentleman took the floor to defend politics in W. P. A., and I understand now that he did not.

Mr. VOORHIS of California. I did not, and I thank the gentleman.

Mr. MURDOCK of Arizona. The gentleman offered an amendment, which I supported in the last regular session, to take politics out of relief and relief out of politics, and was not that incorporated in the law?

Mr. VOORHIS of California. It was. I have always supported such proposals.

Mr. MURDOCK of Arizona. That, I think, expresses the gentleman's attitude, as well as mine.

Mr. VOORHIS of California. It does, and I am very grateful to the gentleman for his kindness in mentioning the matter.

[Here the gavel fell.]

Mr. DEMPSEY. Mr. Chairman, I move to strike out the last two words and ask unanimous consent to proceed out of order for 1 minute.

The CHAIRMAN. Is there objection to the request of the gentleman from New Mexico?

There was no objection.

Mr. DEMPSEY. Mr. Chairman, many Members of the House have been interested in knowing when the Rules Committee will meet to consider the resolution to continue the so-called Dies committee—the Special Committee to Investigate Un-American Activities. We had felt that we might have such a meeting on Thursday or Friday, but, due to the absence of the chairman, the meeting has been called for 10:30 o'clock a. m. Monday. Those Members of the House who may desire to appear and oppose or advocate the continuation of the committee know, of course, that the Rules Committee will be very glad to have them present and to hear them.

The Clerk read down to and including line 3 on page 64.

Mr. WOODRUM of Virginia. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. WARREN, Chairman of the Committee of the Whole House on the state of the Union, reported that that Committee had had under consideration the bill H. R.

7922, the independent offices appropriation bill, 1941, and had come to no resolution thereon.

RESIGNATIONS FROM COMMITTEES

The SPEAKER laid before the House the following communication, which was read:

JANUARY 17, 1940.

Hon. WILLIAM B. BANKHEAD,
Speaker, House of Representatives, Washington, D. C.

DEAR MR. SPEAKER: I hereby tender my resignation as a member of the Committee on Territories, to take effect at once.

Sincerely yours,

JOSHUA L. JOHNS, M. C.

The SPEAKER also laid before the House the following communication:

JANUARY 17, 1940.

Hon. WILLIAM B. BANKHEAD,
The Speaker, House of Representatives, Washington, D. C.

MY DEAR MR. SPEAKER: I hereby offer my resignation from the Committee on Claims, to take effect immediately.

With kindest regards, I am,

Sincerely yours,

LEWIS K. ROCKEFELLER,
Twenty-seventh District, New York.

The SPEAKER. Without objection, the resignations will be accepted.

There was no objection.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows:

To Mr. LELAND M. FORD, on account of illness in family.

To Mr. RANDOLPH, for an indefinite period, on account of illness.

LEAVE TO ADDRESS THE HOUSE

Mr. HOOK. Mr. Speaker, I ask unanimous consent that after the reading of the Journal and the conclusion of legislation and all special orders on Monday next, I be permitted to address the House for 10 minutes.

The SPEAKER. Is there objection?

There was no objection.

DOMESTIC SUGAR INDUSTRY

Mr. CANNON of Florida. Mr. Speaker, I ask unanimous consent to proceed for 1 minute and to extend my remarks in the RECORD at this point.

The SPEAKER. Is there objection?

There was no objection.

Mr. CANNON of Florida. Mr. Speaker, the consumers of this Nation have become alarmed at the increase in food prices, and I am confident that this Congress is anxious to do its part in working out a satisfactory solution of this pressing and important problem. I am in favor of giving our domestic sugar industry a chance to furnish sugar to the American people at reasonable prices. The Department of Labor under date of January 5, 1940, prepared a report showing these increases in food prices, and I take the liberty of inserting at this point, said report in full:

The level of average retail prices of staple foods was unchanged from December 27, 1939, to January 3, 1940, according to the weekly price-reporting survey of the Bureau of Labor Statistics, covering Boston, Buffalo, New York, Pittsburgh, Chicago, Cleveland, Detroit, St. Louis, Savannah, Washington, Houston, Denver, and Los Angeles, Secretary of Labor Perkins reported today (Friday).

"The index of retail prices of staple foods on January 3 was 2.9 percent above the level of August 15 when food prices began their marked upward trend," Miss Perkins said. "While prices of most of these foods remained unchanged over the New Year, there was a tendency for flour and pork chops to rise in price and for butter and lard to fall."

Flour prices rose by 2 or 3 percent in Chicago, St. Louis, Savannah, Houston, and Denver. In the other cities no change was reported.

Pork chops advanced in price by about 2 cents a pound in Buffalo, St. Louis, and Denver but declined as much in New York City. Only in Savannah, Houston, and Los Angeles were prices reported unchanged.

Butter prices showed slight declines in nearly all of the cities.

Lard prices were somewhat lower in six cities on January 3 than a week earlier. No change was reported in most of the other cities. Only in New York and Los Angeles were price advances reported.

Irregular changes occurred in prices of round steak, chuck roast, bacon, and eggs, the price advancing in some cities and declining in others without any marked trend.

Practically unchanged in price were bread, milk, canned tomatoes, navy beans, coffee, and sugar. Where price changes were reported for these foods, however, they were usually declines.

Estimated changes in average retail prices, Dec. 27, 1939, to Jan. 3, 1940—15 foods, 13 cities

	Unit	Boston	Buffalo	New York	Pittsburgh	Chicago	Cleveland	Detroit	St. Louis	Savannah	Washington, D. C.	Houston	Denver	Los Angeles
		Cents	*Cents*	*Cents*	*Cents*	*Cents*	*Cents*	*Cents*	*Cents*	*Cents*	*Cents*	*Cents*	*Cents*	*Cents*
Flour	Pound	0	0	0	0	+0.1	0	0	+0.1	+0.2	0	+0.1	+0.1	0
Bread	Pound	0	0	0	0	0	0	0	0	0	0	0	0	0
Round steak	Pound	+.3	−1.3	0	+.2	−.5	−.1	0	0	0	+.1	0	+1.1	+.9
Chuck roast	Pound	−.2	0	0	+.2	+.1	0	−.7	+.3	0	−.3	0	0	+.2
Pork chops	Pound	+.6	+2.3	−1.9	−1.0	+.2	+.1	+.1	+1.6	0	+.8	0	+1.6	0
Sliced bacon	Pound	+.2	0	−.2	−.8	0	0	+.1	−1.3	0	+.2	−.8	0	+.8
Pink salmon	16-ounce can	0	0	−.1	+.1	+.3	0	0	0	+.3	0	0	0	0
Butter	Pound	0	−.2	−.3	0	0	−.1	+.1	+.7	+.1	+.1	−.7	−.3	−.4
Milk (store)	Quart	0	0	0	0	0	0	0	0	0	0	0	0	0
Eggs	Dozen	−.4	−.1	−.4	+.4	+.8	−.1	+2.2	+.4	−1.7	+.5	−.9	−.5	−3.0
Canned tomatoes	No. 2 can	0	0	0	0	0	0	0	0	0	0	0	−.2	[1] 0
Navy beans	Pound	0	−.1	0	0	0	0	−.1	0	0	−.1	0	0	−.4
Coffee	Pound	0	0	0	−.3	0	0	0	0	−.7	0	0	0	0
Lard	Pound	0	−.1	+.3	−.1	0	−.1	−.4	0	0	−.2	−.1	0	+.2
Sugar	Pound	0	0	−.1	0	0	0	−.1	0	0	0	0	0	0

[1] No. 2½ can.

Preliminary.

Estimated average retail prices, Jan. 3, 1940, 15 foods, 13 cities

	Unit	Boston	Buffalo	New York	Pittsburgh	Chicago	Cleveland	Detroit	St. Louis	Savannah	Washington, D. C.	Houston	Denver	Los Angeles
		Cents	*Cents*	*Cents*	*Cents*	*Cents*	*Cents*	*Cents*	*Cents*	*Cents*	*Cents*	*Cents*	*Cents*	*Cents*
Flour	Pound	4.0	3.8	5.0	4.6	4.3	4.6	4.3	5.2	5.0	4.3	3.9	4.1	3.9
Bread	Pound	7.5	7.7	8.8	7.9	6.6	8.0	7.6	7.5	8.9	8.9	7.2	7.0	6.7
Round steak	Pound	37.8	33.3	36.9	33.0	33.0	32.5	33.3	35.4	32.3	31.6	32.4	30.2	33.1
Chuck roast	Pound	23.5	23.1	22.8	22.7	24.8	22.6	26.4	22.4	19.5	19.9	19.2	20.0	21.0
Pork chops	Pound	21.3	24.9	24.5	22.9	24.4	26.2	29.4	25.4	23.8	24.8	26.5	22.2	28.5
Sliced bacon	Pound	28.0	26.1	29.1	26.3	32.8	28.2	28.8	25.4	28.8	26.4	27.0	28.5	31.6
Pink salmon	16-ounce can	14.2	14.8	15.2	14.8	15.7	15.0	14.5	16.0	14.5	13.7	13.9	14.6	13.6
Butter	Pound	37.0	34.2	37.9	37.1	35.6	34.4	36.5	36.4	35.9	36.9	35.5	36.8	36.6
Milk (store)	Quart	12.2	12.0	13.0	13.0	10.7	11.1	9.6	11.6	14.9	14.0	12.0	10.2	9.0
Eggs	Dozen	33.1	31.3	39.5	32.8	32.1	32.3	35.1	31.0	31.3	35.1	30.9	25.8	27.6
Canned tomatoes	No. 2 can	9.1	8.2	10.2	8.2	8.7	8.1	7.6	8.2	7.1	6.9	7.1	9.3	10.4
Navy beans	Pound	7.7	5.7	9.0	5.8	6.2	5.4	5.9	6.1	7.1	6.5	7.1	5.3	8.2
Coffee	Pound	22.7	18.5	22.8	20.2	22.3	19.5	22.6	22.2	21.8	21.6	20.2	27.7	21.5
Lard	Pound	10.1	8.7	12.4	9.3	10.7	11.7	10.5	8.9	10.5	8.9	7.9	10.7	11.0
Sugar	Pound	5.4	5.4	5.4	5.5	5.7	5.8	5.8	5.7	5.0	5.3	5.3	6.2	5.5

[1] No. 2½ can.

Preliminary.

Relative retail food prices, Jan. 3, 1940, 15 foods, 13 cities

[Aug. 15, 1939=100]

	Boston	Buffalo	New York	Pittsburgh	Chicago	Cleveland	Detroit	St. Louis	Savannah	Washington, D. C.	Houston	Denver	Los Angeles	13-city average
Flour	121	119	116	148	126	139	119	133	125	113	105	141	105	123.2
Bread	99	100	100	104	99	100	99	100	100	101	100	109	100	100.8
Round steak	92	95	93	95	90	91	94	98	102	85	94	93	94	93.5
Chuck roast	104	101	96	110	105	90	116	101	98	93	103	97	99	100.8
Pork chops	74	79	76	74	80	82	81	87	88	75	90	75	82	80.1
Sliced bacon	100	95	92	87	96	92	96	92	89	89	95	93	97	93.2
Pink salmon	117	114	110	110	113	110	110	113	120	111	117	107	125	113.5
Butter	120	119	119	117	119	119	120	116	114	118	116	119	112	117.5
Milk (store)	100	100	108	108	127	122	114	98	100	101	100	100	102	105.8
Eggs	84	94	100	103	113	103	128	124	115	100	117	95	86	103.9
Canned tomatoes	105	94	100	98	106	95	97	94	100	95	97	104	97	98.5
Navy beans	115	100	105	114	113	126	131	122	122	138	118	90	112	115.2
Coffee	99	83	97	100	100	100	100	101	96	100	100	99	98	97.8
Lard	104	97	108	102	113	106	113	99	95	98	77	114	105	101.9
Sugar	106	106	108	104	108	107	105	108	102	110	106	105	106	106.2
15-food average	101.9	99.1	101.3	103.8	106.4	104.4	107.4	105.0	103.8	100.8	101.7	101.8	100.8	102.9

Preliminary.

Estimated average retail prices, December 1939, 15 foods, 13 cities

	Boston	Buffalo	New York	Pittsburgh	Chicago	Cleveland	Detroit	St. Louis	Savannah	Washington, D. C.	Houston	Denver	Los Angeles
Flour, pound:	*Cents*	*Cents*	*Cents*	*Cents*	*Cents*	*Cents*	*Cents*	*Cents*	*Cents*	*Cents*	*Cents*	*Cents*	*Cents*
Dec. 5	4.0	3.6	4.8	4.4	4.1	4.4	4.2	5.0	4.6	4.0	3.8	4.1	4.1
Dec. 12	4.0	3.6	4.9	4.5	4.2	4.5	4.2	5.0	4.8	4.1	3.8	3.9	4.1
Dec. 19	4.0	3.7	4.9	4.5	4.2	4.5	4.2	5.0	4.8	4.2	3.8	3.9	4.1
Dec. 27	4.0	3.8	5.0	4.6	4.2	4.6	4.3	5.1	4.8	4.3	3.8	4.0	3.9
Bread, pound:													
Dec. 5	7.5	7.7	8.8	7.9	6.6	8.0	7.6	7.5	8.8	8.8	7.2	7.0	6.7
Dec. 12	7.5	7.7	8.8	7.9	6.6	8.0	7.6	7.5	8.9	8.8	7.2	7.0	6.7
Dec. 19	7.5	7.7	8.8	7.9	6.6	8.0	7.6	7.5	8.9	8.9	7.2	7.0	6.7
Dec. 27	7.5	7.7	8.8	7.9	6.6	8.0	7.6	7.5	8.9	8.9	7.2	7.0	6.7
Round steak, pound:													
Dec. 5	38.0	33.9	35.8	32.7	34.8	32.5	34.3	35.3	32.3	32.2	31.9	30.6	35.6
Dec. 12	38.3	33.2	36.9	33.0	34.7	32.6	33.8	36.7	32.3	31.9	32.4	30.9	35.2
Dec. 19	39.8	33.4	36.7	32.5	33.4	32.6	33.3	34.6	32.3	31.6	32.4	30.9	35.2
Dec. 27	37.5	34.6	36.9	32.8	33.5	32.6	33.3	35.4	32.3	31.5	32.4	29.1	32.2
Chuck roast, pound:													
Dec. 5	23.7	23.5	24.7	22.3	25.1	22.7	27.1	21.9	20.6	20.5	19.2	21.1	22.5
Dec. 12	23.6	23.0	23.6	22.6	24.9	22.6	24.9	22.2	19.8	20.5	19.2	21.1	20.8
Dec. 19	23.7	23.1	23.6	22.3	24.9	22.6	27.0	22.1	20.1	20.2	19.2	21.1	21.0
Dec. 27	23.7	23.1	22.8	22.5	24.7	22.6	27.1	22.1	19.5	20.2	19.2	20.0	20.8
Pork chops, pound:													
Dec. 5	24.7	23.9	24.3	24.9	25.0	25.7	29.6	24.5	24.3	22.3	26.5	21.3	35.3
Dec. 12	24.2	24.7	26.5	23.4	25.3	26.0	29.3	23.5	24.4	22.7	26.5	21.3	34.5
Dec. 19	24.5	23.7	26.1	23.5	25.2	25.9	29.2	23.6	23.8	24.1	26.7	20.4	28.5
Dec. 27	20.7	22.6	26.4	23.9	24.2	26.1	29.3	23.8	23.8	24.0	26.5	20.6	28.5
Sliced bacon, pound:													
Dec. 5	29.6	26.4	30.2	27.4	33.4	27.1	30.1	27.7	30.2	27.1	28.0	28.5	33.2
Dec. 12	26.8	26.3	29.7	26.1	32.8	28.2	29.4	26.4	28.8	27.3	28.0	28.5	31.9
Dec. 19	27.0	26.2	28.8	25.8	32.8	28.2	28.8	26.7	28.8	26.2	27.1	28.5	31.7
Dec. 27	27.8	26.1	29.3	27.1	32.8	28.2	28.7	26.7	28.8	26.2	27.8	28.5	30.8
Pink salmon, 16-ounce can:													
Dec. 5	14.2	14.3	15.2	14.7	15.4	14.8	14.5	15.8	15.2	13.7	14.4	14.6	13.6
Dec. 12	14.2	14.7	15.2	14.9	15.4	15.0	14.5	16.2	14.4	13.7	14.4	14.6	13.6
Dec. 19	14.2	14.7	15.3	14.8	15.4	15.0	14.5	16.1	14.2	13.7	13.9	14.6	13.5
Dec. 27	14.2	14.8	15.3	14.7	15.4	15.0	14.5	16.0	14.2	13.7	13.9	14.6	13.6
Butter, pound:													
Dec. 5	36.4	34.3	37.2	36.5	35.2	33.3	35.8	35.8	35.3	37.0	35.3	35.7	37.8
Dec. 12	35.8	34.1	37.6	36.3	35.5	33.4	35.9	35.8	34.9	37.0	36.0	35.6	37.6
Dec. 19	36.1	34.6	37.9	36.6	35.3	34.8	36.3	35.4	35.6	36.8	36.1	36.5	37.6
Dec. 27	37.0	34.4	38.2	37.1	35.6	34.5	36.4	35.7	35.8	37.0	36.2	37.1	37.0
Milk (store), quart:													
Dec. 5	12.2	12.0	13.1	13.0	10.8	11.1	9.6	11.6	14.9	14.0	12.0	10.2	9.1
Dec. 12	12.2	12.0	13.0	13.0	10.7	11.1	9.6	11.6	14.9	14.0	12.0	10.2	9.0
Dec. 19	12.2	12.0	13.0	13.0	10.7	11.1	9.6	11.6	14.9	14.0	12.0	10.2	9.0
Dec. 27	12.2	12.0	13.0	13.0	10.7	11.1	9.6	11.6	14.9	14.0	12.0	10.2	9.0
Eggs, dozen:													
Dec. 5	39.8	36.7	44.1	38.3	33.8	36.2	36.8	32.7	35.3	39.6	35.5	31.7	30.5
Dec. 12	34.8	34.8	41.3	36.1	31.4	33.9	35.2	32.1	35.2	35.8	35.6	29.5	28.4
Dec. 19	33.9	31.7	40.3	32.7	30.7	32.4	33.3	32.0	33.9	34.9	32.1	27.4	31.9
Dec. 27	33.5	31.4	39.9	32.4	31.3	32.4	32.9	30.6	33.0	34.6	31.8	26.3	30.6
Canned tomatoes, No. 2 can:													
Dec. 5	8.9	8.2	10.3	8.4	8.7	8.1	7.7	8.2	7.2	6.9	7.1	9.8	10.4
Dec. 12	8.9	8.2	10.2	8.4	8.7	8.1	7.6	8.4	7.1	6.9	7.1	9.5	10.4
Dec. 19	8.9	8.2	10.2	8.4	8.7	8.1	7.6	8.1	7.1	6.9	7.1	9.6	10.4
Dec. 27	9.1	8.2	10.2	8.2	8.7	8.1	7.6	8.2	7.1	6.9	7.1	9.5	10.4
Navy beans, pound:													
Dec. 5	7.7	5.8	9.4	5.7	6.2	5.4	6.0	6.7	7.4	6.5	7.1	6.3	8.6
Dec. 12	7.6	5.8	9.0	5.8	6.2	5.4	6.0	6.0	7.4	6.5	7.1	5.8	8.6
Dec. 19	7.7	5.7	9.0	5.6	6.2	5.4	5.9	6.0	7.1	6.5	7.1	5.3	8.6
Dec. 27	7.7	5.8	9.0	5.8	6.2	5.4	6.0	6.1	7.1	6.6	7.1	5.3	8.6
Coffee, pound:													
Dec. 5	22.5	18.6	23.4	20.3	22.4	19.5	22.6	21.7	22.5	21.8	20.2	27.9	21.5
Dec. 12	22.7	18.5	23.1	20.0	22.3	19.4	22.6	21.9	22.5	21.5	20.2	27.7	21.4
Dec. 19	22.7	18.5	22.8	20.5	22.3	19.4	22.5	21.9	22.5	21.5	20.2	27.7	21.5
Dec. 27	22.7	18.5	22.8	20.5	22.3	19.5	22.6	22.2	22.5	21.6	20.2	27.7	21.5
Lard, pound:													
Dec. 5	10.2	9.1	12.1	9.9	10.5	11.8	10.7	8.9	10.4	9.1	10.1	10.8	11.7
Dec. 12	9.9	9.0	11.9	9.7	10.6	11.7	10.6	9.1	10.5	9.1	10.0	10.5	11.2
Dec. 19	10.1	8.8	12.2	9.3	10.7	11.7	10.7	8.9	10.5	9.1	10.1	10.7	11.6
Dec. 27	10.1	8.8	12.1	9.4	10.7	11.8	10.9	8.9	10.5	9.1	8.0	10.7	10.8
Sugar, pound:													
Dec. 5	5.5	5.5	5.5	5.5	5.8	5.9	6.0	5.7	5.3	5.3	5.5	6.2	5.5
Dec. 12	5.5	5.4	5.4	5.5	5.7	5.8	6.0	5.7	5.3	5.3	5.4	6.2	5.5
Dec. 19	5.4	5.4	5.4	5.5	5.7	5.8	5.9	5.7	5.1	5.3	5.4	6.2	5.5
Dec. 27	5.4	5.4	5.5	5.5	5.7	5.8	5.9	5.7	5.0	5.3	5.3	6.2	5.5

Prices for December are revised to include data from the more complete sample obtained in the regular monthly price survey.

Relative retail food prices, December 1939, 15 foods, 13 cities

[Aug. 15, 1939=100]

	Boston	Buffalo	New York	Pittsburgh	Chicago	Cleveland	Detroit	St. Louis	Savannah	Washington, D. C.	Houston	Denver	Los Angeles	13-city average
Flour:														
Dec. 5	121	113	112	142	121	133	117	128	115	105	103	141	111	119.6
Dec. 12	121	113	114	145	124	136	117	128	120	108	103	134	111	120.5
Dec. 19	121	116	114	145	124	136	117	128	120	111	103	134	111	121.0
Dec. 27	121	119	116	148	124	139	119	131	120	113	103	138	105	122.1
Bread:														
Dec. 5	99	100	100	104	99	100	99	100	99	100	100	109	100	100.6
Dec. 12	99	100	100	104	99	100	99	100	100	100	100	109	100	100.7
Dec. 19	99	100	100	104	99	100	99	100	100	101	100	109	100	100.8
Dec. 27	99	100	100	104	99	100	99	100	100	101	100	109	100	100.8
Round steak:														
Dec. 5	93	96	91	94	95	91	97	98	102	87	92	94	101	94.6
Dec. 12	93	94	93	95	95	91	96	101	102	86	94	95	100	94.9
Dec. 19	97	95	93	93	91	91	94	96	102	85	94	95	100	94.2
Dec. 27	91	98	93	94	92	91	94	98	102	85	94	90	91	93.2
Chuck roast:														
Dec. 5	105	103	104	108	106	91	119	99	103	96	103	102	106	103.3
Dec. 12	104	101	100	110	106	90	109	100	99	96	103	102	98	101.3
Dec. 19	105	101	100	108	106	90	118	100	101	95	103	102	99	102.0
Dec. 27	105	101	96	109	105	90	119	100	98	95	103	97	89	101.0
Pork chops:														
Dec. 5	86	76	75	80	82	80	81	84	89	68	90	72	101	81.4
Dec. 12	84	78	82	75	83	81	80	81	90	69	90	72	99	81.5
Dec. 19	85	75	81	76	83	81	80	81	88	73	90	69	82	80.1
Dec. 27	72	72	82	77	79	81	80	82	88	73	90	70	82	78.9
Sliced bacon:														
Dec. 5	106	96	96	90	98	89	100	101	93	92	99	93	102	96.4
Dec. 12	96	96	94	86	96	92	98	96	89	93	99	93	98	94.2
Dec. 19	97	96	91	85	96	92	96	97	89	89	95	93	98	93.3
Dec. 27	100	95	93	89	96	92	95	97	89	89	98	93	95	93.9
Pink salmon:														
Dec. 5	117	110	110	109	111	109	110	112	126	111	121	107	125	113.5
Dec. 12	117	113	110	110	111	110	110	115	119	111	121	107	125	113.7
Dec. 19	117	113	111	110	111	110	110	114	117	111	117	107	124	113.2
Dec. 27	117	114	111	109	111	110	110	113	117	111	117	107	125	113.1
Butter:														
Dec. 5	118	120	117	116	118	116	117	114	112	118	115	116	116	116.4
Dec. 12	116	119	118	115	119	116	118	114	111	118	117	116	115	116.3
Dec. 19	117	121	119	116	118	121	119	112	113	118	118	119	115	117.4
Dec. 27	120	120	120	117	119	120	119	113	114	118	118	120	113	117.7
Milk (store):														
Dec. 5	100	100	109	108	129	122	114	98	100	101	100	100	103	106.1
Dec. 12	100	100	108	108	127	122	114	98	100	101	100	100	102	105.8
Dec. 19	100	100	108	108	127	122	114	98	100	101	100	100	102	105.8
Dec. 27	100	100	108	108	127	122	114	98	100	101	100	100	102	105.8
Eggs:														
Dec. 5	102	110	112	120	119	115	134	131	129	113	135	117	95	117.2
Dec. 12	89	104	105	113	111	108	128	128	129	102	135	108	88	110.5
Dec. 19	86	95	102	102	108	103	121	128	124	100	122	101	99	106.3
Dec. 27	85	84	101	101	110	103	120	122	121	99	121	97	95	104.6
Canned tomatoes:														
Dec. 5	102	94	101	100	106	95	99	94	101	95	97	110	97	99.2
Dec. 12	102	94	100	100	106	95	97	97	100	95	97	107	97	98.9
Dec. 19	102	94	100	100	106	95	97	93	100	95	97	108	97	98.7
Dec. 27	105	94	100	98	106	95	97	94	100	95	97	107	97	98.7
Navy beans:														
Dec. 5	115	102	109	112	113	126	133	134	128	138	118	107	118	119.0
Dec. 12	113	102	105	114	113	126	133	120	128	138	118	98	118	116.8
Dec. 19	115	100	105	110	113	126	131	120	122	138	118	90	118	115.2
Dec. 27	115	102	105	114	113	126	133	122	122	140	118	90	118	116.1
Coffee:														
Dec. 5	98	84	99	101	100	100	100	99	99	101	100	100	98	98.3
Dec. 12	99	83	98	100	100	99	100	100	99	100	100	99	97	97.9
Dec. 19	99	83	97	102	100	99	99	100	99	100	100	99	98	98.0
Dec. 27	99	83	97	102	100	100	100	101	99	100	100	99	98	98.2
Lard:														
Dec. 5	105	101	105	109	111	107	115	99	95	100	98	115	111	105.3
Dec. 12	102	100	103	107	112	106	114	101	95	100	97	112	107	104.2
Dec. 19	104	98	106	102	113	106	115	99	95	100	98	114	110	104.4
Dec. 27	104	98	105	103	113	107	117	99	95	100	98	114	103	102.3
Sugar:														
Dec. 5	108	108	110	104	109	109	109	108	108	110	110	105	106	108.0
Dec. 12	108	106	108	104	108	107	109	108	108	110	108	105	106	107.3
Dec. 19	106	106	108	104	108	107	107	108	104	110	108	105	106	106.7
Dec. 27	106	106	110	104	108	107	107	108	102	110	106	105	106	106.5
15-food average:														
Dec. 5	104.6	100.3	102.8	105.6	107.2	104.5	108.7	105.7	105.9	101.2	104.8	104.9	105.7	104.7
Dec. 12	102.4	99.6	102.2	104.7	106.7	104.3	107.3	105.1	105.2	100.7	104.9	103.0	103.7	103.8
Dec. 19	102.8	98.9	101.9	103.3	106.2	104.3	107.0	104.2	104.4	100.7	103.8	102.0	103.4	103.3
Dec. 27	101.7	99.0	102.0	104.1	106.1	104.5	107.3	104.5	103.9	100.9	102.2	101.3	101.3	103.0

Relatives for December are revised to include data from the more complete sample obtained in the regular monthly survey.

Please do not infer from my remarks that I am against the farmer receiving a higher price for his products. I have always stood for a larger farm income and for a reasonable profit for the farmer. Because of this fact, my remarks shall be limited to the food products which the American housewife and consumer are buying, not from our farmers but from foreign producers, the chief among which is sugar. Under our Sugar Act of 1937 the American housewife is required to buy, whether she likes it or not, over 70 percent of her sugar from off-shore areas. Under said act foreign producers control our sugar market. Our farmers have little voice in what we pay for sugar.

SUGAR AN ESSENTIAL FOOD

Sugar, once a luxury, is now definitely established as an essential food. It is necessary to the health and well-being of this Nation in peacetime; it is more essential in wartime.

SUGAR COSTS UNREASONABLY HIGH

Glancing at the Labor Department's report, let us see what the American housewife is paying for sugar. Even now prices are running between 53 and 62 cents per 10 pounds. You

and I know, and the American housewife knows, that these prices are unreasonable and unfair.

WHO GETS THE PROFIT?

With domestic producers furnishing less than 30 percent of the sugar this Nation consumes certainly the excess profit is not going to them. It must go to foreign soil.

WHAT IS OUR COST OF PRODUCTION?

It has long been said that domestic producers of sugar have too high a cost of production and for that reason we must buy our sugar from foreign producers—this, in the interest of the American housewife. That was the argument advanced in support of the Sugar Act of 1937 when that controversial legislation was passed. In passing, I am forced to say that if off-shore producers have such a low cost of production, with all their peon labor, why does it not show up in the prices of sugar today? Someone is really sucking blood money out of the American consumer with sugar around 60 cents per 10 pounds, and it is not the American farmer.

FLORIDA'S COST OF PRODUCTION

Let us examine the record and see what domestic producers are doing about the cost of production. Florida producers are producing raw sugar at a cost of production of 2.1 cents per pound. Although I do not have complete data at hand, Cuba's cost of production seems to be around 2.25 cents and other off-shore producers around 3 cents per pound. Other domestic areas such as found in Louisiana and the beet-sugar areas of the West have cost of production figures which compare favorably with Florida's.

DOMESTIC PRODUCERS PAY HIGH WAGES

These low cost-of-production figures for Florida and other domestic producers become of greater importance when we take into consideration that Florida's sugar industry, as small as it is, pays the highest agriculture wage of any sugar-producing area or country.

Even the Secretary of Agriculture admits this when he says in his 1939 report:

> That conditions vary even within areas is shown by the fact that Florida producers appear to be able to maintain higher wage and labor standards than do most producers in the mainland area.

The Secretary failed to add that Florida's wages are the highest in the world and that wages paid by other domestic producers are likewise higher.

FLORIDA PROHIBITED BY LAW FROM FURNISHING SUGAR TO MORE THAN 1 PERCENT OF THE AMERICAN MARKET

I have already mentioned the fact that under the Sugar Act of 1937 domestic producers, although in some cases their cost of production is lower than offshore producers, are allowed to supply less than 30 percent of the sugar needs of the Nation. You will be surprised when I tell you that, under the same act, Florida is allowed to supply less than 1 percent of the Nation's needs, this in face of the fact that Florida pays the highest agriculture wage known and has a cost of production which is in line with the lowest cost of production found, even where sugar is produced with peon labor. I ask you, Mr. Speaker, what kind of an American system is that? Is it fair to the American producer? Is it fair to American labor? Is it fair to Florida and the other domestic producers?

FLORIDA AND OTHER DOMESTIC PRODUCERS STAND READY TO PRODUCE SUGAR FOR THE AMERICAN HOUSEWIFE AT REASONABLE PRICES

We of Florida contend that we can produce sugar to retail to the American housewife at the 5-cent-per-pound level. We are not interested in high prices, and the 5-cent retail level, which is fair and reasonable, will always be satisfactory to us.

Forgetting for the moment that sugar prices last September soared up to 7, 8, and 9 cents per pound, making it necessary for the President of the United States to suspend the restrictive quota provisions of the Sugar Act of 1937, I say to the gentleman from Ohio, your consumers will not have to pay the unreasonable price of 58 cents per 10 pounds if you will give Florida and the other domestic producers a right to unlimited production of this nonsurplus commodity. To the gentlemen from Colorado, I remind you that your own State, if given the chance, by unlimited production could produce sugar to sell far below the prevailing price of 62 cents per 10 pounds, as it is today in Denver. California, if given a chance, can produce sugar to sell at less than the 55 cents per 10 pounds which the people of Los Angeles are now paying. To the gentlemen of the great State of New York, I say if Florida and the domestic industry were given the chance, millions and millions of dollars could be saved for your housewives by furnishing you with sugar at a great deal less than the 54 cents per 10 pounds now being paid. I can say the same thing to the gentlemen from Massachusetts, Pennsylvania, Illinois, and Michigan, where your people are paying from 54 cents to 58 cents per 10 pounds for sugar. For the Chicago, Detroit, Cleveland, St. Louis, and other urban centers of the Midwest, the beet-sugar producing areas can bring that price down if given a chance.

To the gentlemen from Texas, I remind you that Texas can produce sugar if given the chance. This would stabilize the southwestern sugar market.

The remarkable thing about the Labor Department's report is that the only area in the entire United States where the American housewife is obtaining sugar at a reasonable price is in the Southeast around Savannah, Ga. There she buys it now at 5 cents per pound, and there is where Florida sugar is refined and marketed. That is the proof of the pudding.

WHAT ARE WE GOING TO DO ABOUT IT?

Mr. Speaker, what are we going to do about it? I leave that question to be answered by this Congress. I know that every one of my colleagues from every district in these United States wants his people to be able to buy sugar at the fair price of 5 cents per pound. I know that every Member of this Congress wants to see American labor receive fair play in this matter and obtain the high wages which we are paying in our Florida industry. I know that every Member will agree with me when I say that Florida should be allowed unlimited production of sugar so long as we can pay these high wages and produce sugar for the American housewife to retail to her at 5 cents per pound or less. I know that we want to encourage our domestic sugar industry; we may need it in time of an emergency. We know that foreign producers will let us want for sugar whenever they can obtain higher prices elsewhere. They did that back in September. I say defeat the reenactment of the iniquitous Sugar Act of 1937. If we must have sugar legislation, let it be fair to American producers and American consumers. Let American producers who can produce sugar to retail at 5 cents per pound produce unlimited; and then if we cannot produce all that we need, buy what little extra is needed from foreign countries. Is not, Mr. Speaker, that the fair thing to do?

EXTENSION OF REMARKS

Mr. CONNERY. Mr. Speaker, I ask unanimous consent that in connection with the remarks I made today I be permitted to include certain explanatory tables.

The SPEAKER. Is there objection?

There was no objection.

Mr. RAMSPECK. Mr. Speaker, I ask unanimous consent to revise and extend my remarks made in Committee of the Whole today and to include certain excerpts from newspapers and certain documents.

The SPEAKER. Is there objection?

There was no objection.

Mr. MARTIN of Iowa. Mr. Speaker, I ask unanimous consent to extend my own remarks and include in the RECORD an editorial from the Cedar Rapids Gazette of January 15.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. FISH. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

ADJOURNMENT

Mr. WOODRUM of Virginia. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 4:44 o'clock p. m.) the House adjourned until tomorrow, Thursday, January 18, 1940, at 12 o'clock noon.

COMMITTEE HEARINGS

COMMITTEE ON NAVAL AFFAIRS

There will be a hearing Thursday, January 18, 1940, at 10 a. m., before the Committee on Naval Affairs, on H. R. 7665, to establish the composition of the United States Navy, to authorize the construction of certain naval vessels, and for other purposes.

COMMITTEE ON MERCHANT MARINE AND FISHERIES

The Committee on Merchant Marine and Fisheries will hold hearings at 10 a. m. on the following dates on the matter named:

Friday, January 19, 1940, 10:30 a. m.:

House Joint Resolution 424, to authorize the United States Maritime Commission to acquire certain lands in St. Petersburg, Fla.

Tuesday, January 23, 1940:

H. R. 200, to amend section 4370 of the Revised Statutes of the United States (U. S. C., 1934 ed., title 46, sec. 316).

Tuesday, January 30, 1940:

The following hearing was at first scheduled for Friday, January 5, but was later postponed until Thursday, January 25, 1940. Now it has been postponed again, this time being Tuesday, January 30, 1940, at 10 a. m.

H. R. 7357, to amend section 4472 of the Revised Statutes (U. S. C., 1934 ed., title 46, sec. 465) to provide for the safe carriage of explosives or other dangerous or semidangerous articles or substances on board vessels; to make more effective the provisions of the International Convention for Safety of Life at Sea, 1929, relating to the carriage of dangerous goods; and for other purposes.

Tuesday, February 6, 1940:

H. R. 7527, to make effective the provisions of the Minimum Age (sea) Convention (revised), 1936, and for other purposes.

Wednesday, February 7, 1940:

Hearings will be continued Wednesday, February 7, 1940, at 10 a. m., on H. R. 6130, to provide for mandatory or compulsory inspection and permissive or voluntary grading of fish, fishery products, fishery byproducts, shellfish, crustacea, seaweeds, and all other aquatic forms of animal and vegetable life, and the products and byproducts thereof, and for other purposes.

Tuesday, February 13, 1940:

H. R. 1780, to amend section 7 of the act of June 19, 1886, as amended (U. S. C., 1934 ed., Supp. III, title 46, sec. 319), relative to penalties on certain undocumented vessels and cargoes engaging in the coastwise trade or the fisheries, and for other purposes.

H. R. 5837, to amend section 221 of the Shipping Act, barring certain aliens from participating in the benefits thereof.

H. R. 6770, to amend Revised Statutes 4311 (U. S. C. 251).

H. R. 7694, to amend section 4311 of the Revised Statutes of the United States.

COMMITTEE ON INVALID PENSIONS

The Committee on Invalid Pensions will hold public hearings in the committee room, 247 House Office Building, at 10 a. m., on the following dates on the matters named:

SUBMARINE OR AIRCRAFT DISASTERS

Friday, January 19, 1940:

H. R. 6532. A bill to provide pensions at wartime rates for disability or death incurred in line of duty as a direct result of submarine or aircraft disasters.

INDIAN WARS

Monday, January 22, and Tuesday, January 23, 1940:

H. R. 1006. A bill to adjust the rate of pension to soldiers of the Indian wars who served 90 days or more in active service against hostile Indians, and for other purposes.

H. R. 3996. A bill to pension men who were engaged in or connected with the military service of the United States during the period of Indian wars and disturbances.

H. R. 4924. A bill to adjust the rate of pension to soldiers of the Indian wars who served 90 days or more in active service against hostile Indians, and for other purposes.

H. R. 4991. A bill to pension men who were enlisted in the military service of the United States during the period of Indian wars and disturbances, and the widows of such men, and for other purposes.

H. R. 4999. A bill to increase the rates of pension in the case of soldiers who served 90 days or more in the Indian wars during the period from 1817 to 1898, and to grant pensions to widows of soldiers who so served in such wars.

DEPENDENTS OF REGULAR ESTABLISHMENT VETERANS

Thursday, January 25, and Friday, January 26, 1940:

H. R. 7191. A bill to make more equitable provision for pensions for the dependents of deceased veterans of the Army, Navy, Marine Corps, and the Coast Guard.

H. R. 7522. A bill to equalize the pensions payable to the dependents of veterans of the Regular Establishment with those payable to dependents of veterans of the World War whose death is due to service.

H. R. 7652. A bill to grant pensions and increase of pensions to widows and dependents of certain deceased members or former members of the military or naval service.

H. R. 7734. A bill to equalize the pensions payable to the dependents of veterans of the Regular Establishment with those payable to the dependents of veterans of the World War whose death is due to service.

MEDAL OF HONOR PENSIONS

Thursday, February 1, 1940:

H. R. 3385. A bill to liberalize the provisions of the Medal of Honor Roll Act of April 27, 1916.

COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE

There will be a hearing before a subcommittee of the Committee on Interstate and Foreign Commerce at 10 a. m. Tuesday, January 23, 1940, on H. R. 6652, to aid consumers by setting up standards of quality based on performance as a guide in the purchase of consumer goods.

NOTE.—This hearing was originally scheduled for Tuesday, January 16, 1940.

Hearings will begin Monday, February 5, 1940, at 10 a. m., before the Petroleum Subcommittee of the Committee on Interstate and Foreign Commerce. State regulatory bodies will be heard first.

COMMITTEE ON ROADS

The Committee on Roads will begin public hearings in the Roads Committee Room, 1011 New House Office Building, at 10 a. m. Monday, January 22, 1940 on H. R. 7891, a bill to assist the States in the improvement of highways. Commissioner Thomas H. MacDonald, of the Public Roads Administration, will be heard first.

EXECUTIVE COMMUNICATIONS, ETC.

1278. Under clause 2 of rule XXIV, a letter from the Secretary of War, transmitting a letter from the Chief of Engineers, United States Army, dated December 19, 1939, submitting a report, together with accompanying papers and an illustration, on a preliminary examination and survey of, and review of reports on, Nantasket (Hull) Gut and Weymouth Fore River, Mass., from Hingham Bay to Quincy, authorized by the River and Harbor Act approved August 26, 1937, and requested by resolution of the Committee on Rivers and Harbors, House of Representatives, adopted February 8, 1938 (H. Doc. No. 568), was taken from the Speaker's table, referred to the Committee on Rivers and Harbors, and ordered to be printed, with an illustration.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. BUCK: Committee on Ways and Means. House Joint Resolution 419. Joint resolution to amend the joint resolution entitled "Joint resolution providing for the importation of articles free from tariff or customs duty for the purpose

of exhibition at the Golden Gate International Exposition to be held at San Francisco, Calif., in 1939, and for other purposes," approved May 18, 1937, as amended; with amendment (Rept. No. 1519). Referred to the Committee of the Whole House on the state of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mrs. O'DAY: Committee on Immigration and Naturalization. H. R. 7972. A bill for the relief of sundry aliens; without amendment (Rept. No. 1516). Referred to the Committee of the Whole House.

Mr. WARD: Committee on Immigration and Naturalization. H. R. 7973. A bill for the relief of sundry aliens; without amendment (Rept. No. 1517). Referred to the Committee of the Whole House.

Mr. GATHINGS: Committee on Immigration and Naturalization. H. R. 7974. A bill for the relief of sundry aliens; without amendment (Rept. No. 1518). 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. MUNDT:

H. R. 7971. A bill to prevent the pollution of the navigable waters of the United States, and for other purposes; to the Committee on Rivers and Harbors.

By Mr. ANGELL:

H. R. 7975. A bill authorizing the use of special canceling stamps and post-marking dies at the Portland, Oreg., post office in connection with the annual Portland rose festival; to the Committee on the Post Office and Post Roads.

By Mr. BRYSON:

H. R. 7976. A bill to provide that the compensation or pension of a disabled veteran shall not, because of receiving hospital treatment for domiciliary care in any governmental agency, be reduced below $25 per month; to the Committee on World War Veterans' Legislation.

H. R. 7977. A bill to amend the World War Veterans' Act, 1924, as amended; to the Committee on World War Veterans' Legislation.

By Mr. CLAYPOOL:

H. R. 7978. A bill to provide for an increase in the pensions payable under the provisions of Public Law No. 484, Seventy-third Congress, as amended, to dependent widows and orphans of deceased veterans of the World War who at time of death were suffering with any service-connected disability from $30 to $40 per month; to the Committee on World War Veterans' Legislation.

By Mr. GRANT of Alabama:

H. R. 7979. A bill to authorize and direct the Veterans' Administration to provide for a minimum rating of 1 percent for any injury, disease, ailment, or disability incurred, or aggravated, in line of duty by any person who served during any war, or in any campaign, expedition, or occupation; to the Committee on World War Veterans' Legislation.

By Mr. McCORMACK:

H. R. 7980. A bill to provide pensions for disabled veterans of the World War, under similar conditions, and in the same amounts, as now provided for as to disabled veterans of the Spanish American War; to the Committee on World War Veterans' Legislation.

By Mr. LESINSKI:

H. R. 7981. A bill to grant pensions to certain unremarried dependent widows of Civil War veterans who were married to the veteran subsequent to June 26, 1903; to the Committee on Invalid Pensions.

By Mr. McARDLE:

H. R. 7982. A bill to prohibit deductions from the earnings of employees of the Veterans' Administration for quarters, subsistence, and laundry, unless such allowances are voluntarily accepted and used by such employees, and if so used to be charged therefor at cost thereof; to the Committee on World War Veterans' Legislation.

H. R. 7983. A bill to provide that any Veterans' Administration beneficiary, whose benefits have been declared forfeited, shall be entitled to have such rights and benefits retroactively restored, where any such offender shall upon trial have been acquitted or such alleged offender has not been brought to trial within 1 year after the date of such forfeiture; to the Committee on World War Veterans' Legislation.

By Mr. RANDOLPH:

H. R. 7984. A bill granting pensions to certain American Red Cross ambulance drivers of the World War; to the Committee on Invalid Pensions.

By Mr. COOPER:

H. R. 7985. A bill to provide for issuance of a duplicate adjusted-service certificate to any veteran who establishes that the original has been lost or destroyed, or is being withheld or concealed from him, and for other purposes; to the Committee on Ways and Means.

By Mr. BATES of Kentucky:

H. R. 7986. A bill to amend the Railroad Unemployment Insurance Act so as to place the various States on an equal basis with respect to contributions of employees, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. DIMOND:

H. R. 7987. A bill to amend section 1 of the act of June 6, 1924, as amended, relative to the fisheries of Alaska; to the Committee on Merchant Marine and Fisheries.

H. R. 7988. A bill making provision for employment of the residents of Alaska in the fisheries of said Territory, and for other purposes; to the Committee on Merchant Marine and Fisheries.

By Mr. MOTT:

H. R. 7989. A bill to legalize a bridge across the Nestucca River at Pacific City, Oreg.; to the Committee on Interstate and Foreign Commerce.

By Mr. SMITH of Virginia:

H. R. 7990. A bill to amend section 9 of an act entitled "An act to prevent pernicious political activity," approved August 2, 1939; to the Committee on the Judiciary.

By Mr. SCRUGHAM:

H. R. 7991. A bill to provide for the employment of unemployed miners in prospecting on the public lands; to the Committee on Appropriations.

By Mr. HAVENNER:

H. J. Res. 431. Joint resolution to amend the joint resolution entitled "Joint resolution providing for the importation of articles free from tariff or customs duty for the purpose of exhibition at the Golden Gate International Exposition to be held at San Francisco, Calif., in 1939, and for other purposes," approved May 18, 1937, as amended; to the Committee on Ways and Means.

By Mr. REECE of Tennessee:

H. J. Res. 432. Joint resolution authorizing an appropriation of $5,000 for payment of the expenses of the fiftieth anniversary of the Legion of Valor; to the Committee on Military Affairs.

By Mr. HAVENNER:

H. J. Res. 433. Joint resolution to protect the copyrights and patents of foreign exhibitors at the Golden Gate International Exposition, to be held at San Francisco, Calif., in 1940; to the Committee on Patents.

By Mr. RANDOLPH:

H. Con. Res. 41. Concurrent resolution requesting that diplomatic relations between the United States and the Union of Soviet Socialist Republics of Russia be discontinued; to the Committee on Foreign Affairs.

By Mr. MARTIN J. KENNEDY:

H. Res. 360. Resolution to provide for an investigation to determine the advisability of the St. Lawrence-Great Lakes Deep Waterway; to the Committee on Rules.

By Mr. BREWSTER:

H. Res. 361. Resolution calling on the Secretary of the Treasury for information concerning Treasury Decision No. 49682, relating to American fisheries; to the Committee on Ways and Means.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. ALLEN of Illinois:

H. R. 7992. A bill granting an increase of pension to Mary E. Carney; to the Committee on Invalid Pensions.

By Mr. CASEY of Massachusetts:

H. R. 7993. A bill for the relief of Marion L. Gates; to the Committee on Claims.

H. R. 7994. A bill for the relief of Eleanor J. Griggs, Dorothy L. Griggs, and Vernon M. Griggs; to the Committee on Claims.

H. R. 7995. A bill for the relief of Constantinos Georgiades; to the Committee on Immigration and Naturalization.

H. R. 7996. A bill granting a pension to Katherine R. Salmon; to the Committee on Invalid Pensions.

By Mr. CELLER:

H. R. 7997. A bill for the relief of Joseph F. Falkenbach and Agnes Ruby Falkenbach, his wife; to the Committee on Immigration and Naturalization.

By Mr. CLEVENGER:

H. R. 7998. A bill for the relief of Fred E. Perry; to the Committee on Claims.

By Mr. CULKIN:

H. R. 7999. A bill granting a pension to Agnes P. Scram; to the Committee on Invalid Pensions.

By Mr. HARTER of New York:

H. R. 8000. A bill for the relief of Louis Anastasia; to the Committee on Military Affairs.

By Mr. HEALEY:

H. R. 8001. A bill for the relief of Ralph Del Verde; to the Committee on Naval Affairs.

H. R. 8002. A bill for the relief of James E. Forristall; to the Committee on Naval Affairs.

By Mr. LANDIS:

H. R. 8003. A bill granting a pension to Clara Rice; to the Committee on Pensions.

By Mr. JOHN L. McMILLAN:

H. R. 8004. A bill to correct the naval record of Earl Holland Wilding; to the Committee on Naval Affairs.

H. R. 8005. A bill to correct the naval record of Hallie Ransom Reynolds, Jr.; to the Committee on Naval Affairs.

By Mr. PETERSON of Florida:

H. R. 8006. A bill for the relief of Joseph E. Myers; to the Committee on Military Affairs.

By Mr. ROCKEFELLER:

H. R. 8007. A bill granting a pension to Mary Beale Reynolds; to the Committee on Invalid Pensions.

By Mr. SECCOMBE:

H. R. 8008. A bill to confer citizenship on Samuel L. Terrien; to the Committee on Immigration and Naturalization.

By Mr. SWEENEY:

H. R. 8009. A bill for the relief of Harry Paul Bradford; to the Committee on Military Affairs.

By Mr. WALLGREN:

H. R. 8010. A bill for the relief of Randall Krauss, a minor; to the Committee on Claims.

By Mr. WELCH:

H. R. 8011. A bill for the relief of Edward Tumelty; to the Committee on Naval Affairs.

By Mr. WHITE of Idaho:

H. R. 8012. A bill reviving and renewing Patent No. 1255159, serial No. 129524; to the Committee on Patents.

H. R. 8013. A bill for the relief of F. C. Herrick; to the Committee on Claims.

H. R. 8014. A bill granting a pension to Lulu May Craig; to the Committee on Invalid Pensions.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

6176. By Mr. FLAHERTY: Petition of the Massachusetts Commandery, Military Order of the Loyal Legion of the United States, Boston, Mass., favoring continuation of the Dies committee; to the Committee on Appropriations.

6177. By Mr. HOPE: Petition of Erle Johnston and 20 other citizens of Clark County, Kans., urging the enactment of the Patman chain-store tax bill (H. R. 1); to the Committee on Ways and Means.

6178. Also, petition of D. N. Schmidt and 19 other citizens of Hoisington, Kans., urging the enactment of the Patman chain-store tax bill (H. R. 1); to the Committee on Ways and Means.

6179. By Mr. JOHNSON of Illinois: Petition of 21 residents of my district, urging passage of the Neely bill; to the Committee on Interstate and Foreign Commerce.

6180. By Mr. LAMBERTSON: Petition of E. A. Zabel and 35 other citizens of Atchison County, Kans., urging Congress to enact the Patman chain-store bill (H. R. 1); to the Committee on Interstate and Foreign Commerce.

6181. By Mr. LEAVY: Resolution of the Okanogan County Pomona Grange, No. 53, adopted at their meeting on the 14th day of October 1939, emphatically favoring cost-of-production price be paid to farmers for the domestically consumed portion of their products, pointing out that the present program based on subsidies has failed to provide parity prices for agricultural products; to the Committee on Agriculture.

6182. Also, resolution of the Okanogan County Pomona Grange, No. 53, adopted at their meeting on the 14th day of October 1939, demanding that the United States maintain a strict embargo on all nations engaged in war, and recommending in the event the United States be drawn into the conflict, legislation be enacted prohibiting all profits in war materials and necessities for the civilian population; to the Committee on Ways and Means.

6183. Also, resolution of the Okanogan County Pomona Grange, No. 53, adopted at their meeting on the 11th day of November 1939, opposing the extension of the national-park program in the State of Washington, pointing out that such an extension would prevent the orderly development of the agricultural, mineral, and timber resources contained in this territory; to the Committee on the Public Lands.

6184. By Mr. MERRITT: Resolution of the St. Thomas Apostle Holy Name Society of Woodhaven, N. Y., urging that the Dies committee be continued with adequate funds for its activities as this society considers the Dies committee the number one American committee, our foremost American committee; to the Committee on Rules.

6185. By Mr. THOMAS of New Jersey: Letter from J. Robert Jones, commander, Villotto-Riggin Post, No. 57, American Legion, East Rutherford, N. J., advising that it was the unanimous opinion of the post that the results that have been accomplished by the Dies committee on Americanism be continued, and petitioning that the committee be kept functioning; to the Committee on Rules.

6186. Also, letter from Mrs. William Henry Hayes, president, Women's National Republican Club, Inc., New York City, advising that the Women's National Republican Club, Inc., on January 3 submitted a resolution endorsing the continuance of the Dies committee and the appropriation of sufficient funds to make its work effective, to its membership of 4,000 in 41 States, and that to date an overwhelming majority of affirmative votes have been received from 30 States and the District of Columbia; to the Committee on Rules.

6187. By the SPEAKER: Petition of the American Legion, Washington, D. C., petitioning consideration of their resolution with reference to un-American activity; to the Committee on Rules.