HOUSE OF REPRESENTATIVES

TUESDAY, FEBRUARY 27, 1940

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

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

Like as a father pitieth his children, so the Lord pitieth them that fear him; for He knoweth our frame, He remembereth that we are dust.

To this conclusion may we come with our trembling faith; Thou hast loved us and wilt love us unto the end. That life, so sacrificial that it reached the summit of the cross is too holy to be forgotten; it must continue and be relived until the consummation of the world. We pray Thee that the hands that were laid on the heads of little children and washed the disciples' feet will yet inspire the works of man until they reach the divine. When in the throes of difficulty, may we not elude it; let it shake the soul and let the glory out. Oh, happy is he who, with a calm mood and wise vision, sees Thy guaranty for the destiny of man in an ordered world; happier is he who sees the divine purpose beyond the shadows, that creation itself shall be delivered from the bondage and corruption into the glory of the liberty of the children of God. Through Jesus Christ our Lord. Amen.

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

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Frazier, its legislative clerk, announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 7270) entitled "An act to amend the Bonneville Project Act."

The message also announced that the Senate had passed, with amendments in which the concurrence of the House is requested, a bill of the House of the following title:

H. R. 8319. An act making appropriations for the Departments of State, Commerce, and Justice and for the judiciary, for the fiscal year ending June 30, 1941, and for other purposes.

EXTENSION OF REMARKS

Mr. HINSHAW. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and to include two brief editorials from the Washington Daily News of February 23.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. PATMAN. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein a report made by the Honorable C. M. Evans on farm tenancy.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

PERMISSION TO ADDRESS THE HOUSE

Mr. HOFFMAN. Mr. Speaker, I ask unanimous consent that on Friday next after the disposition of business on the Speaker's table and the legislative business of the day I may be permitted to address the House for 20 minutes.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

HENRY WADSWORTH LONGFELLOW

Mr. JOHNS. 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. JOHNS. Mr. Speaker, I rise at this time to call attention to the birth of a great poet in this country in 1807, Henry Wadsworth Longfellow. He was a favorite poet of mine. I remember as a young man in school especially his Village Blacksmith:

Under a spreading chestnut tree
The village smithy stands;
The smith, a mighty man is he,
With large and sinewy hands;
And the muscles of his brawny arms
Are strong as iron bands.

I remember, too, that solemn poem, A Rainy Day:

The day is cold, and dark, and dreary;
It rains, and the wind is never weary;
The vine still clings to the moldering wall,
But at every gust the dead leaves fall,
And the day is dark and dreary.

Whoever has visited his home in Portland, Maine, has seen that vine on the wall there. A visit to this shrine is an inspiration to any man or woman and especially to any child who is studying Longfellow in school.

[Here the gavel fell.]

EXTENSION OF REMARKS

Mr. HINSHAW. Mr. Speaker, I make the point of order that a quorum is not present.

Mr. McCORMACK. Mr. Speaker, will the gentleman withhold the point of order for a moment?

Mr. HINSHAW. Yes.

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein the acts of Congress relating to the relief of suffering and distress abroad from 1912 to the present time. This is of particular importance at this time in view of the hearings going on in the Committee on Foreign Affairs relative to relief for the unfortunate people of Poland.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. ANGELL. Mr. Speaker, I ask unanimous consent to extend my own remarks and to include therein a short article with reference to the steel industry.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

PERMISSION TO ADDRESS THE HOUSE

Mr. HOFFMAN. Mr. Speaker, I ask unanimous consent to address the House for 30 seconds.

The SPEAKER. A point of order has been made that a quorum is not present.

Mr. HOFFMAN. Mr. Speaker, will the gentleman from California withhold making the point of order to permit me to submit this request?

Mr. HINSHAW. I withhold the point of order for that purpose, Mr. Speaker.

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

There was no objection.

The SPEAKER. The gentleman from Michigan is recognized for 30 seconds.

Mr. HOFFMAN. Mr. Speaker, I want to call the attention of the House to a few lines of the poem, a part of which the gentleman from Wisconsin has just quoted. The words to which I refer are these:

Each morning sees some task begun,
Each evening sees it close;
Something attempted, something done,
Has earned a night's repose.

Which brings me to the thought that, although for more than 2 years the people have been demanding with an ever-increasing intensity the amendment of the National Labor Relations Act and the disciplining of the National Labor Relations Board, each morning sees us with the task not even begun.

Why cannot this House emulate the village blacksmith?

Mr. HINSHAW. Mr. Speaker, I renew my point of order that a quorum is not present.

The SPEAKER. Obviously a quorum is not present.

Mr. RAYBURN. 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. 34]

Andresen, A. H.	Bulwinkle	Culkin	Durham
Arnold	Burch	Curtis	Evans
Barton	Caldwell	Darden	Fenton
Bell	Cole, N. Y.	Darrow	Ferguson
Bender	Corbett	DeRouen	Folger
Brewster	Cravens	Douglas	Fulmer
Buckley, N. Y.	Crowther	Drewry	Gehrmann

AUTHENTICATED U.S. GOVERNMENT INFORMATION GPO

Gregory	Larrabee	O'Brien	Smith, Va.
Hart	McDowell	Osmers	Somers, N. Y.
Hartley	McGranery	Polk	Steagall
Healey	Maas	Reece, Tenn.	Sullivan
Hook	Magnuson	Sacks	Sumners, Tex.
Jacobsen	Mansfield	Sasscer	Sweeney
Jarman	Marshall	Schulte	Taylor
Jarrett	Martin, Ill.	Shannon	Tibbott
Jenks, N. H.	Merritt	Sheridan	Walter
Kelly	Mouton	Short	White, Idaho
Kleberg	Myers	Smith, Maine	White, Ohio
Landis	Nichols	Smith, Ohio	Woodruff, Mich.

The SPEAKER. Three hundred and forty-seven Members have answered to their names. A quorum is present.

On motion of Mr. RAYBURN, further proceedings under the call were dispensed with.

EXTENSION OF REMARKS

Mr. HARTER of Ohio. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein an address made in Akron, Ohio, last Thursday evening, by the Deputy Chief of Staff, Gen. Lorenzo D. Gasser.

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

There was no objection.

WAR DEPARTMENT CIVIL FUNCTIONS APPROPRIATION BILL, 1941

Mr. SNYDER, from the Committee on Appropriations, reported the bill (H. R. 8668) making appropriations for the fiscal year ended June 30, 1941, for civil functions administered by the War Department, and for other purposes (Rept. No. 1681), which was read a first and second time and, with the accompanying report, referred to the Committee of the Whole House on the state of the Union and ordered to be printed.

Mr. TABER reserved all points of order against the bill.

PERMISSION TO ADDRESS THE HOUSE

Mr. RANKIN. Mr. Speaker, I ask unanimous consent that on tomorrow, after the disposition of matters on the Speaker's table and the legislative business of the day and at the conclusion of the address of the distinguished gentleman from Pennsylvania [Mr. RICH], I may be permitted to address the House for 15 minutes.

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

Mr. MARTIN of Massachusetts. Mr. Speaker, reserving the right to object, what is the program going to be tomorrow and what time do you expect to get through?

Mr. RANKIN. I do not know. I would say to the distinguished gentleman from Massachusetts that I hope it will be early because the gentleman from Pennsylvania and I have some very important business touching the lives of 130,000,000 people.

Mr. MARTIN of Massachusetts. I wonder if the majority leader can tell us about tomorrow's program?

Mr. RAYBURN. Calendar Wednesday's business will be dispensed with, and the appropriation bill having to do with the civil functions of the War Department will be taken up.

Mr. MARTIN of Massachusetts. Is that highly controversial?

Mr. RAYBURN. When appropriation bills are reported, it is always stated to me that there is nothing controversial in them, but before the day is over they get very controversial.

Mr. MARTIN of Massachusetts. If the consideration of the bill should not be completed before 7 or 8 o'clock in the evening, much as we would like to hear the gentleman from Mississippi, I do not think we should be compelled to stay.

Mr. RAYBURN. We are going to discuss a matter that affects 27,000,000 electric light and power consumers, and we do not require the presence of all Members here. We would like to have you all here, especially those who need light, but if you do not want to stay that will be satisfactory to us.

Mr. RICH. Mr. Speaker, reserving the right to object, may I say to the gentleman from Mississippi, since he mentioned my name, I would like to have all of the membership of the House here, because I am going to show that the statements he has made in reference to the Potomac Electric Co. are just about the most ridiculous statements I have ever heard made about any financial institution, and I am not interested in the Potomac Power Co., any more than the fact that I want to see justice done that concern as well as others.

Mr. RANKIN. The gentleman is wrong again, as usual.

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

There was no objection.

ABOLISHMENT OF NATIONAL LABOR RELATIONS BOARD

Mr. COX. Mr. Speaker, I ask unanimous consent to proceed for 1 minute.

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

There was no objection.

Mr. COX. Mr. Speaker, it occurs to me that we have about reached the point where we should proceed to liquidate the National Labor Relations Board and amend the law which that agency is using to destroy business and outrage justice. [Applause.] No free country can long live under the kind of administration this Board has given us. The Smith committee investigating the Board has painted a picture, using the Board's own brush, that should stir the wrath of everybody who loves justice and fair play. The Board should go, and with it its Witts, which means practically its entire personnel. [Applause.]

[Here the gavel fell.]

EXTENSION OF REMARKS

Mr. HARRINGTON. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and include therein a letter from the National League of Wholesale Fresh Fruit and Vegetable Distributors in opposition to the omnibus transportation bill.

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

There was no objection.

INCREASING THE LENDING AUTHORITY OF THE EXPORT-IMPORT BANK OF WASHINGTON

Mr. SABATH. Mr. Speaker, I call up House Resolution 398 for immediate consideration.

The Clerk read as follows:

House Resolution 398

Resolved, That immediately upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of S. 3069, an act to provide for increasing the lending authority of the Export-Import Bank of Washington, and for other purposes. That after general debate, which shall be confined to the act and shall continue not to exceed 4 hours, to be equally divided and controlled by the chairman and the ranking minority member of the Committee on Banking and Currency, the act shall be read for amendments under the 5-minute rule. At the conclusion of the reading of the act for amendment the Committee shall rise and report the same to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the act and amendments thereto to final passage without intervening motion except one motion to recommit.

Mr. SABATH. Mr. Speaker, I presume the gentleman from New York [Mr. FISH] desires part of the time on the rule. I yield the gentleman 30 minutes after I shall have concluded in 15 minutes.

Mr. Speaker, this resolution makes in order what is known, due to the publicity given it by the press, as the Finn aid or Finnish relief bill, but it is, moreover, a bill to aid commerce, agriculture, and employment in the United States. I need not remind gentlemen of the House of the sympathetic disposition of most of the enlightened peoples of the world for heroic Finland, but those brave people cannot endure on sympathy alone. They need and should receive material assistance, such as is contemplated by the pending bill. The rule provides for 4 hours of general debate. It is a broad and liberal rule. After the debate has been concluded, the bill will be considered under the 5-minute rule for amendments; therefore, surely not even the gentleman from New York [Mr. FISH] will be able to plausibly charge that it is a harsh or a gag rule.

I am indeed pleased to be able to report this rule, and I want to say that the rule has been reported in actuality

unanimously, notwithstanding the fact that some witnesses and Members who appeared before the Committee on Rules differed with some of the provisions in the bill. It is amazing to me that some of the very men who from time to time unfairly and unjustly charged that the Neutrality Act and the President's actions were bound to involve us in war now are opposed to the restrictive amendments adopted by the House Committee on Banking and Currency. The House should be grateful, as I am sure it is, to that great committee for embodying these two restrictive amendments in the Senate bill. The aim of those amendments is to preclude successfully charging the United States with violating the Neutrality Act and to avoid any complaint by any nation that we have not been neutral in this matter.

You recall that last session, with scarcely any opposition, we authorized an increase from $100,000,000 to $200,000,000 for the Export-Import Bank, the same as this bill provides. The bill, S. 3069, as amended by the House Banking and Currency Committee, provides, also:

> That the aggregate amount of loans to any foreign country and the agencies and nationals thereof which are hereafter authorized to be made and are outstanding at any one time shall not exceed $20,000,000, and such amount shall be in addition to the amount of loans heretofore authorized or made to such foreign country and the agencies and nationals thereof: *Provided further*, That the Export-Import Bank of Washington shall not make any loans to any government which was in default in the payment of its obligations or any part thereof to the Government of the United States on April 13, 1934, or in violation of international law as interpreted by the Department of State, or for the purchase of any articles, except aircraft exclusively, for commercial purposes, listed as arms, ammunition, or implements of war by the President of the United States in accordance with the Neutrality Act of 1939.

I had hoped we could dispose of this bill early. I had thought 2 hours of general debate would suffice. Unfortunately, however, some of the Republican Members desire more time. They are divided. Some of them desire a still broader bill to make possible larger loans, and others, who usually oppose anything and everything, regardless of how beneficial the legislation may be, will oppose it.

I shall not take up much more time now, but I wish to remind the membership of the House that Germany, Great Britain, France, and other nations have expended in the last 10 years millions and millions of dollars to extend their commerce. They have contact agencies in every nook and cranny of the world. They spend millions annually for this purpose. We had been, up to a few years ago, unable to cope with the solicitors of these foreign countries working in Central and South America, but we are making gratifying progress. The legislation that we enacted a few years ago has been helpful. I believe that if American manufacturers are in position to extend credit to purchasers from other nations we can increase our exports tremendously. I recall wondering, when I was in Cuba 33 years ago, why American manufacturers could not sell anything to the Cubans. The Cubans said, "Well, the Germans and others give us 6 months, 9 months, or a year's credit. America wants cash in hand. We do not have it, and we cannot buy from America, but we would like to."

This legislation will tremendously aid manufacturers who are broad- and liberal-minded and desire to extend their business to do so, if they can get financial assistance. It is said there is $47,000,000,000 on deposit in our banks. Yes; we have that much, but, unfortunately, somehow or other, the banks will not, for hidden reasons, loan money for commercial or agricultural purposes.

It is for that reason that we have given additional power to the R. F. C. and the Federal Reserve Board and empowered this bank to help the commerce and industry of the United States. This is not only a Finnish bill, but, as I have stated, a bill in the interest of extending our commerce throughout the world, and therefore I hope that the resolution, as well as the bill itself, will be adopted without undue debate. [Applause.]

Mr. Speaker, I reserve the balance of my time.

Mr. FISH. Mr. Speaker, I yield myself 15 minutes.

Mr. Speaker, as the gentleman from Illinois [Mr. SABATH] has said, this is a fair rule. It provides for 4 hours of general debate, and 1 hour on the rule.

For some reason or other I have been quoted in the press, and particularly this morning in two Washington newspapers, as having sought to delay consideration of the Finnish loan for 2 or 3 weeks. I did delay it from Monday until Tuesday, which is 24 hours, because, instead of having 3 hours' general debate, I sought 6 hours of debate, and we compromised on 5 hours, and as a member of the Rules Committee I am perfectly satisfied with the procedure and with the rule.

I am for a loan to Finland of $20,000,000 in addition to the $10,000,000 already granted by the Export-Import Bank. I propose to offer that amendment at the proper time in the consideration of the bill. The bill does not specify any amount that should go to Finland. It provides for an increase of $100,000,000 to be turned over to the Export-Import Bank to make any loans it may desire throughout the world under certain limitations written into the bill.

Mr. COLMER. Mr. Speaker, will the gentleman yield?

Mr. FISH. I yield.

Mr. COLMER. As a matter of fact, there is no provision made at all for a loan to Finland in this bill and under the terms of the bill Finland may not be granted any loan at all.

Mr. FISH. That is correct.

I am not a mind reader, and I cannot say exactly what the American people want us to do——

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

Mr. FISH. Yes.

Mr. TABER. I have tried to get a copy of the hearings upon which this bill was reported, and I am told there is none available. Does the gentleman think that is the way to report such a bill to the House?

Mr. FISH. No; I think that is a very unfortunate procedure.

Mr. WILLIAMS of Missouri. Mr. Speaker, will the gentleman yield?

Mr. FISH. The gentleman sitting next to the gentleman from New York [Mr. TABER] has a copy that he might, under certain circumstances, let the gentleman look at.

Mr. WILLIAMS of Missouri. The copies are available.

Mr. TABER. Why do they not let us have them?

Mr. WILLIAMS of Missouri. I do not know about that, but they have been printed.

Mr. FISH. I am quite sure, I will say to the gentleman from Missouri [Mr. WILLIAMS], there is no idea on his part or on the part of his committee or any member of his committee to cover up the hearings. There is nothing in those hearings that should not be made public, and I am sure that there is no desire on his part to do so, but I do not understand why the committee print should be marked "Confidential."

I am not a mind reader, but I have very good reason to believe that the American people are not only sympathetic toward Finland but desire this Congress to make a loan of at least $20,000,000 to the Finnish Republic in addition to the $10,000,000 that has already been made by the Export-Import Bank. I am not at all sure that the American public wants the Congress of the United States to continue to delegate and surrender its power over the purse strings and turn $100,000,000 over to some subordinate agency of the Government to make indiscriminate loans to foreign nations without the approval of Congress and possibly involve us in foreign difficulties and war.

I have already made up my mind that we can make a loan directly to Finland without jeopardizing the peace of the United States, and I will say to my Democratic friends—and I use the word "friends" in this instance advisedly, because that seems to be democratic terminology—that for many years I have not been in accord either with the acts or the speeches of President Roosevelt. However, I endorse the speech the President made to the American Youth Congress

recently here in Washington, when he said to that Youth Congress that he favored a loan to Finland and that Soviet Russia was the aggressor nation, and then went on to say that it was an absurdity and utterly ridiculous to try to claim that if we made such a loan to Finland it would involve us in war with Soviet Russia.

I endorse every word the President said in that respect, and practically in his entire speech. It is the best speech the President has made for years. [Applause.] It was a real American speech.

There is no principle of international law that could be violated by making a loan to Finland directly. If I were able to do so within the confines of this bill and under parliamentary procedure, I would even be glad to offer an amendment making a direct gift to Finland of $20,000,000, but I do not believe that would be possible under the rules. However, I do propose to offer and ask the Members to vote for a loan of $20,000,000 for the Republic of Finland.

Mr. ALLEN of Pennsylvania. Mr. Speaker, will the gentleman yield?

Mr. FISH. I yield.

Mr. ALLEN of Pennsylvania. Does the gentleman mean an unrestricted loan which may be used for whatever purposes the Finnish Government may wish?

Mr. FISH. Well, they have already written into the bill certain restrictions on arms, ammunition, and implements of war; and I do not believe, in fairness to the gentleman, you could take it out in the House, because there are those who might think it would in some way involve our American neutrality. I would like to make it a gift, but as that is impossible, I intend to offer an amendment providing for twenty millions instead of one hundred millions and earmarking the increase as a loan for Finland.

Mr. DONDERO. Mr. Speaker, will the gentleman yield?

Mr. FISH. Yes.

Mr. DONDERO. I have just tried to obtain a copy of the hearings and have been informed that they are not available, and will not be available until after they have been revised. Under this bill can a loan be made to Russia or to Japan?

Mr. FISH. No; not to Russia under this bill, because under the restriction now in the bill loans cannot be made to any country that has defaulted in its debt to the United States, and that would include Russia but not Japan.

Mr. DONDERO. After April 13, 1934?

Mr. FISH. Yes.

Mr. SCHAFER of Wisconsin. Mr. Speaker, will the gentleman yield?

Mr. FISH. Yes.

Mr. SCHAFER of Wisconsin. Here is what troubles me. The first proviso on page 1, with reference to the limitation on the loans to any one country, to wit, $20,000,000, refers to loans to any one country or agencies and nationals thereof. However, proviso No. 2, on page 2, prohibiting the loans to foreign governments in default restricts the prohibition only to the governments and permits the loans to individuals and agencies of the governments which are in default. It is a pretty finely camouflaged bill.

Mr. FISH. That may be, but I have the utmost confidence in the administrator higher up regarding these loans. I refer to Federal Loan Administrator Jesse Jones. No one can question his honesty, his integrity, or his ability. He is as careful and as shrewd as a Yankee trader, and so far he has looked after the interests of the American people in all these loans with much credit and distinction, and in my humble opinion Mr. Jesse Jones is an outstanding public official and a great administrator. [Applause.] If I may be permitted the temerity to suggest it, I think he is the best qualified man on his experience and record in the Democratic Party to be its candidate for President of the United States. Jesse Jones knows about the value of money and how to look after it and has a definite record for making sound loans and has had for a number of years and knows that money does not grow on trees but comes out of the pockets of the American people.

Mr. CELLER. Mr. Speaker, will the gentleman yield?

Mr. FISH. Yes.

Mr. CELLER. I notice that the press announced this morning that Finland placed an order in the United States for ammunition to the extent of $5,000,000. How can we enforce this prohibition in the bill if Finland places an order of this character and substitutes one form of money for another form of money?

Mr. FISH. Finland has a right under international law to buy all the arms she wants from America. Finland, under international law, is not at war. Russia specifically says that she is not at war with Finland. Furthermore, neither the President of the United States nor the Congress has recognized a state of war. Therefore Finland can, out of relief money she gets from other sources or with her own resources, buy arms and ammunition in America without violating international law.

Mr. CELLER. Then is not that prohibition utterly useless?

Mr. FISH. No; because this money will buy foodstuffs, clothing, medical supplies, gasoline, motor trucks, copper, lead, everything she wants except arms, ammunition, and implements of war, and I think that is why it was written into the bill, because I think Congress wants it that way, and possibly the American people.

Mr. DONDERO. Mr. Speaker, will the gentleman yield?

Mr. FISH. Yes.

Mr. DONDERO. Can the gentleman inform the House how much money Finland has received from private sources?

Mr. FISH. It would take a little time. Finland has received from the Hoover relief committee upward of $2,000,000, probably nearer $3,000,000, at the present time, but she has received large contributions from foreign nations. Finland has received from Sweden alone, a small, but a rather rich country, one of the richest countries of its size in Europe, in donations, $25,000,000, and $75,000,000 in supplies, showing that what we propose to do by loaning Finland twenty millions is not overgenerous for the greatest and richest country in the world. I believe Argentina and Canada have given large amounts of wheat and Brazil of coffee.

Mr. VAN ZANDT. Is not it true that Finland has been receiving money from General Ryan's committee to purchase military supplies?

Mr. FISH. Certainly. Mr. Speaker, I want now to make my own position clear, and that of others who think as I do for keeping American out of war. I am an isolationist from war, from all foreign wars, but not an isolationist from peace or limitation of armament, or promoting peace throughout the world or affording relief on humanitarian grounds. Therefore, before I decided to vote for the Finnish loan I analyzed the situation as far as I was able, and came to the definite conclusion that if we make a loan, or even a direct gift, it could not possibly involve us in war with Soviet Russia.

I happen to have been in Finland this year. As you all know now, it is a small, highly democratic, comparatively poor, but a great peace-loving country, and a particular friend of the United States. It is the one nation in the world that has paid its war debts to us. That is not the reason, however, that controls my decision to vote for a Finnish relief bill. I am convinced that Finland today is fighting the battle of democracy, Christianity, and civilization against the threat of communism. [Applause.] There should be no use pussyfooting or shadow boxing about this issue. It is not because Finland has paid its debt to us; it is not because we like Finland; but it is because we know, and the American people know, that Finland is fighting a heroic battle against the spread of communism, and we, the American people, know that Soviet Russia has made a brutal, ruthless, and unprovoked attack on Finland, a peace-loving country. There has not been a more dastardly, abominable, or treacherous attack in recent history than the aggression of the Red Army on the little Republic of Finland.

So it is not only a question of our sentiments being on the side of Finland, but the people back home want us to furnish foodstuffs and nonmilitary supplies, and thereby help

Finland defend its liberties, its independence, and its freedom against communism and the "red" army of the Soviet dictator.

[Here the gavel fell.]

Mr. FISH. Mr. Speaker, I yield myself 5 additional minutes.

Mr. SHANLEY. Mr. Speaker, will the gentleman yield?

Mr. FISH. I am sorry, but my time is too limited.

There was an old song that ran something like this, "Stop Kicking My Dog Around."

Mr. CULLEN. Hounddog?

Mr. FISH. "Stop Kicking My Hound Dog Around."

Mr. CULLEN. As quoted by Mr. BENNETT CLARK.

Mr. CARTWRIGHT. It makes no difference if he is a hound. [Laughter and applause.]

Mr. FISH. Well, paraphrasing that song, is it not time that the Congress stopped kicking the Constitution around and making a scrap of paper out of the Constitution of the United States? We are continually, by our votes, kicking the slats right out of the Constitution, one by one, and when is it going to end? Will there be any Constitution left? Will there be any Congress left if we continue this procedure? Has the flame of constitutional liberty sunk so low that the Congress of the United States will continue to delegate away and surrender its constitutional power to control the purse strings? Only the other day—and I am not saying that these trade treaties are not well administered—in discussing the merits and demerits of the trade treaty, we deliberately, by our votes, delegated away and surrendered our power to initiate revenue legislation, and to lay and collect taxes, the most important powers and legislative functions of the House of Representatives. Today it is proposed to turn over $100,000,000, the control of the purse strings, to some subordinate agency of the Government to make loans for us to foreign nations. Why should we turn over our constitutional power to some subordinate, and bureaucratic agency of the Government whose officials were never elected by the people, and again surrender one of the mightiest powers of the Congress of the United States? I am opposed to this delegation of power.

In the first instance, the Export-Import Bank was erected to do what? To make loans to Soviet Russia. It was put over in the Congress. The Congress did not know it, but that was the original purpose for it. It went through, but no loans were made, and it finally practically died. A few years ago we made an authorization of $100,000,000, and it was generally understood at that time that the money was to go for the purpose of increasing our trade with South America. I am a Pan American. I believe we should try to develop and increase our trade with South America, particularly now when England and Germany are busy fighting, but they have changed the whole proposition, evidently for the purpose of making loans in the European war zones—not for trade, but as quasi war loans.

Mr. GORE. Mr. Speaker, will the gentleman yield?

Mr. FISH. Now it is proposed to turn over an additional $100,000,000, using that money to make loans practically for war purposes to foreign nations abroad—not in South America at all and generally not for trade, but for the purpose of helping those nations in their difficulties abroad and possibly financing future wars.

I admit—and I do not apologize for being for the Finnish loan—I want to vote for that loan separately by an amendment to this bill. I am opposed to continuing to delegate control of the purse strings to any subordinate agency. I am opposed to turning over to any subordinate of this Government the power to write our foreign policies. And that is exactly what we are doing. We are surrendering to one or two or three people in the Government not only control over huge sums of money but control in shaping our foreign policies that might involve us in war.

Mr. GORE. Mr. Speaker, will the gentleman yield?

Mr. FISH. Therefore, I say, has not the time come to stop kicking the Constitution around? Is there not some limit to surrendering the rights of Congress and the rights and constitutional powers of the House of Representatives? If we continue this procedure, will there be any House of Representatives left? Will there be any Congress left, and will there be any Constitution left? [Applause.]

The SPEAKER. The time of the gentleman from New York has again expired.

Mr. SABATH. Mr. Speaker, I yield 5 minutes to the gentleman from Texas [Mr. LANHAM].

Mr. LANHAM. Mr. Speaker——

Mr. GORE. Mr. Speaker, will the gentleman yield?

Mr. LANHAM. I have only 5 minutes, and in that time I can barely intimate some of the thoughts I have in mind.

Mr. Speaker, I rise in support of this resolution and of the purpose of the measure which its adoption will make in order for our consideration.

President Roosevelt made the statement recently that 98 percent of the American people are sympathetic with Finland in its struggle. The surprising thing to me is that 2 percent of our people may be of a contrary opinion. The great masses of the American people, in keeping with our history, our tradition, and the principles we cherish, will regard us as recreant to our duty if we do not give to the little country of Finland in every possible and proper way all the aid which can be extended without doing violence to our neutrality law. In this instance, by reason of our previous action, the question of neutrality does not arise.

Finland is a small nation, fighting against overwhelming odds for the preservation of the freedom of body, the freedom of mind, the freedom of property, the freedom of religion—rights very near and dear to the American heart and character.

In the annals of our history we find two struggles analogous in many respects to that now raging in that little land. One was our struggle for independence from the mother country in the American Revolution. The odds were against us in that conflict, but others came gloriously to our aid. We all recall the rigors of Valley Forge and the hardships and handicaps inflicted upon the American soldiers through a niggardly Congress that did not appropriate funds necessary even for their proper sustenance. Valley Forge in its physical aspects has been repeated many times in Finland, and under conditions perhaps more rigorous.

The other struggle which seems to me so distinctly analogous is that which occurred in the State in which I live, the struggle of the small Republic of Texas, also against overwhelming odds, against the oppression of Mexico. And in that conflict we had as a wonderful heritage for Americans forever the matchless incident of the Alamo. I wonder if within the last day or two this small struggling band in Finland has not had at Koivisto its Alamo.

Valley Forge and the Alamo were the forerunners of victory. Let us hope and let us pray that as history has repeated itself in duplicating them in Finland they may also be the heralds of triumph of the liberty which they crave and which we as Americans cherish. [Applause.]

Surely in view of our history, our ideas, and our ideals Finland has the right to expect from us and to expect as promptly as possible any aid which we may render in keeping with our laws and without involving us in a European war. Though the money here provided may not be used for arms and ammunition, there are things which may be purchased quite as necessary for sustenance, quite as necessary for carrying on the conflict as arms and munitions and the things ordinarily on the roster of materials of war.

Mr. Speaker, they have waited a long time and fought valiantly, sustained by an unfaltering faith. Perhaps we have been a little tardy in extending the aid we should. The Scriptures say that hope deferred maketh the heart sick. I hope that from our hearts and from our means we may give this very reasonable aid to those who are fighting for principles that we as Americans hope may endure in this land of ours and in all the nations under God's blue heaven. [Applause.]

[Here the gavel fell.]

Mr. SABATH. Mr. Speaker, I yield 3 minutes to the gentleman from New York [Mr. CELLER].

Mr. CELLER. Mr. Speaker, I do hope that this bill will pass and the vote will be very substantially favorable to its passage. I do likewise hope that we shall strike from the bill the prohibition with reference to military supplies. I cannot conceive, in the first place, how that provision can be made effective.

I am informed that a Finnish Legation official yesterday indicated that his country had either requested or had placed orders for a large quantity of machine guns, antiaircraft guns, and ammunition. The purchase was up to $5,000,000.

I again ask, How can the prohibition against the purchase, with the contemplated loan to Finland, of this ammunition or implements of war be effectively carried out? If Finland will purchase in this country with the contemplated loan nonmilitary supplies, there will then be released other moneys in the control of Finland which it had originally intended for nonmilitary supplies to be used for the purchase of military supplies either here or in other countries. Furthermore, Finland could very readily use the articles which it purchases out of the proceeds of the loan for purposes of barter in other countries to secure in such other countries arms and ammunition.

In the second place, I am assured by the Department of Commerce that 98 percent of all the materials purchased in this country by Russia, the enemy of Finland, has been for military supplies. On the one hand, therefore, we grant Russia the very thing that we deny Finland by this bill.

Stalin has been buying from us in vast quantities raw copper, scrap iron, molybdenum—an alloy of steel—electrical machinery and apparatus, brass, bronze, metal-working machinery, aluminum, as well as processed rubber, tin, copper, and other raw materials. Herewith set forth are the detailed statistics from the Department of Commerce:

United States exports and reexports to Russia, September–December 1939

[All figures in thousands]

EXPORTS

Principal commodities	Unit	September	October	November	December
Wheat	Bushel	-------	478	827	313
	Dollar	-------	215	436	172
Gasoline (excluding aviation)	Barrel	248	318	317	-------
	Dollar	481	686	782	-------
Molybdenum	Pound	512	5,084	1,945	5,165
	Dollar	192	1,945	732	1,906
Aluminum ingots	Pound	2,240	1,333	7	-------
	Dollar	535	283	2	-------
Refined copper and old and scrap	Pound	-------	159	12,508	34,115
	Dollar	-------	21	1,544	4,519
Brass and bronze	Dollar	(1)	35	564	365
Metal-working machinery	Dollar	377	1,096	1,836	1,811
Electrical machinery and apparatus	Dollar	22	311	437	758
Total, selected items	Dollar	1,608	4,592	6,333	9,531
Total, all exports to Russia	Dollar	1,785	5,455	7,027	10,528

REEXPORTS

Crude rubber	Pound	-------	11,272	111	-------
	Dollar	-------	2,496	25	-------
Tin	Pound	-------	-------	67	1,889
	Dollar	-------	-------	34	977
Copper	Dollar	-------	571	166	411
Total, selected items	Dollar	-------	3,068	226	1,389
Total, all reexports to Russia	Dollar	(1)	3,171	256	1,395

[1] Less than $500.

Does it not seem anomalous that we deny to courageous Finland the very articles that strengthen Stalin in his battle against Finland? There is a steady and growing stream of ships flying the flags of neutral countries, and even American flags, carrying copper ore, copper concentrates, and finished forms of copper, as well as other industrial and technical material to Vladivostok. These ships sail from New York, Baltimore, San Pedro, Seattle, and Takoma. Much of the cargo is shipped to Manzanillo, Mexico. Into Manzanillo come the ships flying the hammer and sickle, and these Stalin ships take in the cargo, unloaded at Manzanillo, from those ships that cannot or will not make the long crossing to the coast of Siberia, whence this war material is shipped across to Russia.

In the beginning of this month the Russian freighter *Kim* discharged $5,600,000 in gold bullion at San Francisco. This was done to replenish the Soviet balances in this country. The money was credited to Stalin's account in the Chase National Bank and will pay for the bulk cargo of war materials that the *Kim* will take back to Siberia.

During the month of January at least 20 ships left the Tacoma docks for direct sailing to Russia or Siberia. They were loaded with the smelting products gotten from plants at Tacoma. All of these products were for military purposes.

How can we in good conscience sell to one nation military supplies and not to the other?

Those who are insisting upon limitations as to the use of funds were not heard when we made a loan to China of $25,000,000 through our Export-Import Bank. No peep was then heard from anyone. I fail to see any distinction between the loan to China in connection with the undeclared war with Japan and a loan to Finland in connection with the undeclared war with Russia. Both situations are on a parity.

We should not remain indifferent to the plight of plucky little Finland. The sympathy of well-thinking Americans for that country is equaled only by their antipathy for Stalin. Because of that sympathy and antipathy, we should loan Finland $20,000,000 to enable her to buy airplanes, ammunition, and all manner and kind of war materials, thus making it possible for her to protect the Mannerheim line and to hurl back the Stalin legions.

We have been thoroughly amazed at the prowess of the Finnish troops and their victories along Lake Ladoga. But they can readily lose more than they can gain before the ice begins to thin. If the Finns lose, it will be a dreadful loss also to the Swedes, the Norwegians, the French, the English, and, yes, even to the Americans, because it will be a dreadful blow to democracy.

As to the limitation and prohibition against the purchase of arms and ammunition, a Finnish woman said: "We can't throw cabbages at the Bolshevists, and if we did, they would only pick them up and eat them." The Finns ask for bullets, and we give them beans; they ask for powder, and we give them peas; they seek cannon, and they get broomsticks; they covet planes, and we send them pancakes.

We must aid Finland, and we must render that aid quickly. Delay in this Chamber is dangerous.

I have received numerous communications to the effect that instead of loaning money to Finland we should take care of those in our land who are unemployed and on relief. To those correspondents I would say that one thing has nothing to do with the other. A $20,000,000 loan to Finland is only a drop in the bucket. It would not affect relief one way or another. Remember, the Finns paid back practically all of the moneys loaned to her in the past. Moreover, we heard no such arguments against making a $25,000,000 loan to China or a $10,000,000 loan to Norway. Furthermore, loans have been authorized by the Export-Import Bank to Brazil, Chile, Argentina, Paraguay, and Panama. The public was informed of such authorizations. I never heard a whimper then that such loans would militate against relief. Sweden some time ago applied for a $25,000,000 loan. I never heard the faintest word against such loan or that it would militate against those on relief. It should be remembered that all these loans and credits must be used to buy American goods. Therefore, if the loans in question are to have any effect on relief, it will be an effect opposite that expressed by the objectors to the loan under discussion. For such loans necessarily increase the purchase of American goods and to that extent re-create American jobs.

In my humble opinion, we subscribe to international anarchy if we do not help poor and helpless Finland, and help her in the way that will do the most good. By refusing to

help Finland, now a victim of Stalin aggression, and deliberately aiding the aggressor like Stalin by providing him with military supplies, we encourage the Nazi-Communist dictatorship victory over western European democracy. We cannot remain indifferent to that threat.

How ridiculous we make ourselves to put in this bill a prohibition precluding Finland from using the funds lent her to purchase such military supplies.

Mr. THOMAS F. FORD. Mr. Speaker, will the gentleman yield?

Mr. CELLER. I yield.

Mr. THOMAS F. FORD. Is there not a distinction between the two countries? We did not lend Russia any money with which to buy those things.

Mr. CELLER. What difference fundamentally does that make? We are an ally of Russia as against Finland when we play into her hands and sell her that which we refuse Finland. For this reason I do indeed deplore the prohibition that has been placed in the bill.

Mr. BOLLES. Mr. Speaker, will the gentleman yield?

Mr. CELLER. I yield.

Mr. BOLLES. I would like to stress that, while we are attempting to finance Finland, yet folding our arms against munitions, we have paid for the purchases by Russia with the profit they made on the gold they sold us.

Mr. CELLER. We sell munitions to Russia, a country that has not paid us one red copper of the millions of public and private debt she owes our country and our people, whereas we do not propose to sell these materials to Finland, a country which has responded like a major and paid with greatest sacrifice its debt to our country and our people. Finland, figuring all payments as principal and excluding all payments for interest, has paid $8,000,000 out of a total principal indebtedness of $9,000,000. Remember this, also: Finland has paid back $80,000,000 on bonds and other evidence of indebtedness held by Americans.

Let me ask you what Russia has done with the bonds held by private individuals. What about Stalin's public indebtedness to us? She has torn up her obligations. Finland, however, came forward and honorably, loyally, and courageously paid her private bondholders in this country. In the face of such attitude and honoring of obligations, our treatment of Finland today is shocking. I think it is dead wrong, and I hope this prohibition or restriction as to arms and military implements will be taken out of the bill. [Applause.]

[Here the gavel fell.]

Mr. FISH. Mr. Speaker, I yield 5 minutes to the gentleman from Michigan [Mr. MICHENER].

Mr. MICHENER. Mr. Speaker, a writer once said that what this country needed was more men in public life who, figuratively speaking, were able to sit on a cake of ice when emotion and sentiment were rampant throughout the land. This sentiment is especially applicable to those in public life when confronted by great national problems. I fear that our country is just outside the war zone in Europe today, and the big job we have is to keep away from that zone. Will loaning more money in Europe now help to get in or help to keep out?

The gentleman from New York [Mr. CELLER], who just preceded me, has fought the war between Finland and Russia. His was the sentimental appeal entirely. God knows, we all sympathize with bleeding Finland, and I agree with the gentleman from Texas [Mr. LANHAM] when he states that 98 percent—it seems it must be 100 percent—of our people are in sympathy with Finland in this conflict. My friend from Texas made his usual convincing and appealing speech. He is so popular, so persuasive, and so human that it is very difficult to disagree with him. He described the Alamo and Valley Forge. He made it clear that Finland is fighting democracy's battles in Europe and concluded we could at least contribute our bit by authorizing a loan to Finland. I fear that that loan might be the first step to getting into the war.

Now, I am sure that I feel just as the gentleman from Texas feels about this matter up to the point of making loans in Europe at this time. I cannot divorce myself from the historic fact that the nations of Europe have been warring among themselves over territory, boundaries, trade, and what not for 2,000 years, and I cannot escape the conclusion that anything this country may do at this time will not change the European situation and bring about the rule of democracy, religion, brotherly love, and good-fellowship in the Old World. Those wars were going on over there when we were fighting for liberty in America. We carved out new homes from the American wilderness and set up a new form of government. We gave liberty and human rights new definitions, and it seems to me that the great mission of the United States in the world is to hold high the banner of liberty and to proclaim by example that a government of the people, by the people, and for the people can be maintained.

For my part, I believe that the most potential thing that we can do to guarantee this freedom and maintain civilization according to American standards is to keep out of the European troubles.

Sympathy and sentiment are a part of the make-up of all good people, yet sympathy and sentiment must not control our action at all times. There must be those who have the deliberation, the courage, and the inclination to think things through in times like these.

This proposed act is not a Finnish relief or loan bill. True, it has been so publicized and talked about throughout the country. Nothing is further from the truth. In short, this act simply doubles the capital stock of the Export-Import Bank. Existing law provides a revolving fund of $100,000,000 for the use of this bank. S. 3069, which we are to consider today, increases that amount to $200,000,000. There are some additional limitations imposed upon the bank as to loaning the money. Otherwise this proposed legislation is but a continuation of existing law.

Now this is not a political issue. Many different views are entertained by the Members. I do not fully agree with the gentleman from New York [Mr. FISH], who is opposed to this bill but who would loan to Finland all the money it wants to borrow, or at least he would give to Finland, if necessary, any reasonable amount. Then there are those among us who feel so keenly in Finland's behalf that they would furnish any assistance required short of manpower. These Members are found among the Republicans and among the Democrats, so this is certainly not a party issue.

I plead guilty to having but little specific information concerning this bill because the printed hearings have not been made available to anyone excepting members of the Banking and Currency Committee. Five minutes ago I succeeded in getting a copy of the hearings which are confidential committee prints, and which have never been revised and released to the public. I have as much information, however, as other Members of the House other than those on the committee. When the members of the Banking and Currency Committee appeared before the Rules Committee asking that a rule be granted, I did learn some things about this legislation which I did not know before.

It was made clear in that hearing that the Export-Import Bank in the first instance was set up by an Executive order for the express purpose of making loans to Russia after our country had recognized Russia. Later the question of making loans to Cuba was involved, and finally the present law was enacted.

My understanding is that in the first place it was intended that this Government should make loans in this indirect manner to countries which we were prevented from loaning money to by the Johnson Act. You will recall the Johnson Act prevents the United States from making loans to governments in default on payments of debts owed to this country. I just do not like that kind of subterfuge. When the Export-Import Bank was authorized by law, the Congress did not intend, and the country did not intend, that our Government should circumvent the Johnson Act. After all, candor is the best policy in the long run.

This bill, S. 3069, can only be of assistance to Finland if those operating the bank so desire. Finland has already borrowed $8,000,000 through this bank, and, as I understand, $2,000,000 more will be released to Finland before this bill takes effect. Therefore, if this bill does become law, it would be possible to make an additional loan of $20,000,000 to Finland. On the other hand, we are informed—and I am advised that the hearings so state—that the Export-Import Bank has made certain commitments of funds now available and funds dependent upon the passage of this bill. Those commitments are to Norway, Sweden, and, if I am correctly advised, an application from Denmark is pending. Again, I understand that China is presumed to be given additional loans if this bill becomes law. Then we hear much talk about assisting our export trade in South America through the enactment of this proposed legislation. If these statements are true, then why spectacularize this proposal as "the Finnish loan bill"? Up to now anyone unfamiliar with the facts, and being advised only by the debate thus far had, could draw but one conclusion, and that is that we are considering a bill providing a loan for Finland and nothing more.

My sympathies are all with Finland, yet I feel that I would be derelict in my duty if I permitted emotion and that sympathy to run away with my deliberate judgment. Assuming that we pass this legislation and loan the $100,000,000 to Finland and the Scandinavian countries, and it soon becomes evident that that is not enough, will we abandon the policy, run out on our allies, and leave them to the mercy of the dictators in Europe, or will we follow up our sympathy and sentiment and back up our good intentions with enough money, enough force, and enough men, if need be, to settle these political and economic questions in the Old World?

Mr. ALLEN of Pennsylvania. Will the gentleman yield?

Mr. MICHENER. I yield to the gentleman from Pennsylvania.

Mr. ALLEN of Pennsylvania. I wonder if the gentleman is indirectly criticizing the French Government for the 35,000,000 livres they lent us in 1776?

Mr. MICHENER. That is sentiment again.

Mr. ALLEN of Pennsylvania. That is not sentiment. It is a fact.

Mr. MICHENER. Yes; the French Government was most helpful in 1776. The Lafayette Monument down on the Avenue is a constant reminder of this, yet I cannot bring myself to believe that, even though I recall the struggles of 1776 and Valley Forge and all the rest, American people want to let that sentiment control to the extent that we send our soldiers to Europe now or in the future to straighten out Old World quarrels, inequities, and injustices. Cannot we be of more assistance by making this country what the Statue of Liberty proclaims it to be? Can we not be of more assistance to humanity and the world by keeping our own house in order, setting a proper example, and being in a position to lead the way to better things when the war over yonder is finished?

Granted that the sentiment of the country today is that we should do something to help Finland, it seems to me that efforts like the Finnish relief movement, at the head of which is Mr. Hoover, are most commendable, and the thousands of dollars that are going from this country to Finland will be of inestimable assistance. Yet I am constrained to believe that these same people of ours do not want the Congress to do anything that might lead us into the European conflict.

Mr. EATON. Will the gentleman yield?

Mr. MICHENER. I yield to the distinguished doctor of divinity, the gentleman from New Jersey.

Mr. EATON. May I ask the gentleman if he does not consider that moral sentiment as expressed in this country is a fact to be taken into consideration when reasoning on this subject?

Mr. MICHENER. Of course, but the sinking of another *Lusitania* might put this country into the war at any time if momentary sentiment prevailed. We are in a position here where we must stop, look, and listen. We must give consideration to the facts before us and not be entirely controlled by sentiment. After we get into war it is too late to talk about keeping out.

[Here the gavel fell.]

Mr. SABATH. Mr. Speaker, I yield 3 minutes to the gentleman from California [Mr. THOMAS F. FORD].

Mr. THOMAS. F. FORD. Mr. Speaker, the gentleman from Michigan stated the amount of money that had been lent to Finland and the amount that would be available under this act, although Finland is not mentioned, amounted to $10,000,000. He said that $8,000,000 had been lent to that country and spent by it, which is true, and there are $2,000,000 additional available under that loan. I desire to correct the gentleman from Michigan. The passage of this act will permit the Export-Import Bank to lend Finland an additional $20,000,000 if in the opinion of the bank there is a possibility that the money might be returned. In this connection may I quote Mr. Jones. He was asked if he thought Finland would be able to pay the money and he replied:

> My judgment is that the lending of this money will not decide the war, and I do not believe the spirit of the Finnish people will be crushed. You might kill off some of this generation, but in my view there will be a Finnish people and probably a Finnish Government for a long time. They are an honorable people and will pay their debts.

Mr. Speaker, that is the statement of Jesse Jones, head of the lending institution of which the Export-Import Bank is a part. Mr. Speaker, in common with 98 or 99 percent of the American people I have great admiration for the Finnish people. I would like to help them in every way I can. But the fact of the matter is that while this bill has been called a Finnish-loan bill, the Finnish loan is merely an incident to it. It is as much of an incident to it as the loan that might be made to a concern in South America that wanted to buy railroad supplies in the United States and the Export-Import Bank lent them the money temporarily so they could buy those goods and thereby stimulate and develop and improve the export trade of the United States.

[Here the gavel fell.]

Mr. FISH. Mr. Speaker, I yield the balance of the time on this side to the gentleman from Ohio [Mr. VORYS].

Mr. VORYS of Ohio. Mr. Speaker, we have the responsibility here of resolving two moral sentiments of our people that we know are in conflict. Our people are overwhelmingly with indomitable Finland in her fight against Russia, and at the same time our people are overwhelmingly against involvement in the European war. Finland needs arms and men immediately to carry on her fight. Will this bill give Finland the help she needs? No. Can our people help Finland fight without involving our Government and our neutrality? Yes. Can our Government help Finland fight without involving our Government and our neutrality? No.

Every American who wants to help Finland has a right to do it and a way to do it, and I have done it. I have contributed to the Finnish relief. I have contributed to fighting funds for Finland. I urge you to do the same thing. That is my personal affair and does not concern my Government.

On the other hand, every American who wants his Government to help Finland fight by using the sovereign power of our country to tax and borrow money, by making help to Finland a legal obligation of the taxpayer to the United States instead of a moral obligation to Finland, every American in or out of Congress who wants to help Finland in this way, I believe either has not thought the problem through or is willing to take a step toward our involvement in the European war.

Edwin Borchard, professor of law at Yale University, says:

> American sympathies for Finland may legitimately be expressed in private contributions to the Hoover committee or any other private donation. A governmental loan to Finland, whether through the Export-Import Bank or the Reconstruction Finance Corporation, is an act of intervention and of war, exposing the United States to legitimate reprisals now or hereafter, on the part of Soviet Russia. It therefore seems to me illegal and dangerous, however tempting, to advance public funds to Finland.

Mr. ALLEN of Illinois. Mr. Speaker, will the gentleman yield?

Mr. VORYS of Ohio. I yield to the gentleman from Illinois.

Mr. ALLEN of Illinois. Does not the gentleman believe it is ridiculous for this country to be lending money to all the countries in the world when we cannot even pay our own bills in our own country?

Mr. VORYS of Ohio. Yes. Furthermore, I believe this is a pusillanimous way to go about helping Finland and a pusillanimous way to go about extending the lending authority of the Export-Import Bank. For the sake of Finland we are to help exporters to South America. To help Finland fight we are to give Jesse Jones the power to let Americans buy $20,000,000 worth of stuff that Finland does not need for fighting. For the sake of Finland we are to pass a lend-spend measure that we turned down last summer when it was here on its own merits. Remember, this bill does not mention Finland; Jesse Jones has not promised to lend Finland twenty millions or any other amount.

Suppose, however, we consider this as a Finnish loan. As a business loan it is inexcusably unsound. To pretend that Finland, almost overwhelmed by Russia, is a good business risk because she has been paying on her debts is just like selling life insurance to a man with pneumonia because he used to be in sound health. [Applause.]

As a military loan this is inexcusably futile—not enough to guarantee victory, not for a purpose that will even aid resistance—Finland cannot buy military supplies with this loan.

As a humanitarian loan this is inexcusably cruel, for we encourage a bloody resistance that we are not willing to support.

As a diplomatic loan this is inexcusably stupid. We will not stop undeclared wars by this craven policy of making undeclared loans. This is not a diplomatic threat unless Russia decides we do not know what we are doing or that we do not mean what we say, and that we are embarking upon a policy of financing the resistance of all neutrals either without knowing it or without admitting it.

We can save Finland. All we have to do is to send our fleet and our Army and our planes, backed by our resources, into the battle against Russia. We can make a great unrestricted loan to Finland, and the Finns will pay us back, if we guarantee their continued existence by the force of our armed power. But we will not do it; why? Because this is not our war.

We do not have to be neutral. We have a right to take sides, but we have a duty to ourselves and to the world not to try to do both at once—go in and stay out. We are not afraid of Russia. We are not afraid of offending Russia, but we have a duty to Finland and to ourselves, regardless of Russia, of honesty, and candor, and fair dealing. You do not treat a man fairly just because you are afraid of him. You have no right to cheat a man just because you do not like him. International law is just like that.

If Finland is to be saved, Sweden, a neutral, must help, and the Allies must help. If the Allies and European neutrals will not help or cannot help, then the help we would give will not save Finland. If they will help, our help will not now be necessary.

I think we should stop arming aggressors instead of trying to work out plans for indirectly arming victims of aggressors. We should break off diplomatic relations with Russia. We should be considering an embargo against Russia and against Japan. Instead of this we are asked to help Finland by voting for this bill that is 80 percent for someone else and 20 percent for something that Finland does not want.

I hate to see our policy always one of indirection, irresolution, double talk, and double dealing. When I see Uncle Sam first shake his fist and then his finger; first shake hands, then shake his head, it shakes my confidence.

We owe it to Finland not to pass this makeshift. Our people are now giving freely to Finland. If this bill passes, word will go out, "Finnish loan bill passes." Over the country generous people will feel that our Government has taken care of Finland's needs and will stop contributing to Finland. You and I know that passage of this bill will not guarantee Finland one cent. We will have relieved our people of a personal responsibility and ourselves of a public responsibility by passing the buck to one man—Jesse Jones. Let us not fool our people. Let us not fool Finland. Let us vote down this bill.

[Here the gavel fell.]

Mr. SABATH. Mr. Speaker, I am not a bit surprised that the gentleman from Ohio is opposed to this bill, because it is nothing new to observe him opposing beneficial legislation. However, when the gentleman from New York [Mr. FISH] took the floor I started to congratulate him. I felt that he finally had seen the light. I did not know whether or not it was due to the fact that he is a formidable candidate for the Presidency. In view of the Presidential candidates on the Republican side, I do not know why he should not have a better chance than the other candidates. He surely has much greater experience and knowledge of conditions than any of those heretofore mentioned. He has been publicized as much as they have. But I regret that he miscued when he began again to unjustifiably assail and unjustly attack our great President. First he commended the President, and I said to myself, "Well, the gentleman has seen the light. He will use better judgment in the future than he has in the past." But as the gentleman continued I regret he again began in his old manner to make regrettable and unsupportable charges. He surely has shown in every conceivable way his antagonism to our progressive President, Franklin D. Roosevelt.

I do not know whether or not it is due to the extreme amount of business he has on hand or assignments in connection with his Presidential candidacy, but I know that if he had even casually studied this question he would not have said that we have appropriated $100,000,000. In fact, there was only a loan authorization to the Reconstruction Finance Corporation of $100,000,000. I think the gentleman should be more guarded in the future if he desires or expects to make headway in his candidacy. If his strenuous campaign promotes inexactitudes, we will pardon him. Obviously, a Presidential candidate, with so many matters, large and small, in mind must make some errors.

The same thing is true as to the amount that has been loaned to South American countries. He says there was only an excuse that we were going to try to increase our export business in Central and South America, but the underlying reason was to make loans to Russia. He failed, however, to state or admit that no loans have been made to Russia.

For his information, and so that he will not be called to exact account and found in error, I want to say that of all the loans that have been made by this bank 62½ percent have been made to Central and South American countries to the benefit of the commerce of the United States. Each and every loan to South American countries are well secured and none are in default. I do hope we shall continue to increase these loans to help our manufacturers regain the trade that has been taken away from us by Germany, Great Britain, France, and other countries.

Mr. THOMAS F. FORD. Mr. Speaker, will the gentleman yield?

Mr. SABATH. I yield to the gentleman from California.

Mr. THOMAS F. FORD. With regard to the violation of the Constitution that is being brought about by reason of Jesse Jones' handling this matter. Who set up the Reconstruction Finance Corporation and who gave that power to the Chairman? The Republican Party under Mr. Hoover set up that organization.

Mr. SABATH. In that bill they gave a certain amount of power, but they originally did not set up that organization. For your information, I am guilty, although I do not want any glory. I was the first man to introduce an R. F. C. bill in this House in 1931, and I made every effort to have it passed but, unfortunately, under the influence of President Hoover the bill was emasculated and the benefits intended for the people and the commerce of the Nation were extended only to the railroads, the banks, and the life-insurance companies, who the Republicans at all times wish to serve and favor in preference to the legitimate business of the country.

Mr. THOMAS F. FORD. The gentleman from New York did not object to "violating the Constitution" when the Republicans were using the funds to aid the railroads, insurance companies, and banks.

Mr. SABATH. With all that, he is not the worst Republican we have here, and I have no quarrel with the gentleman whatever. He far excels all other Presidential candidates that are before us on the Republican side, unless it be my friend, the minority leader, the gentleman from Massachusetts [Mr. MARTIN].

Mr. RANDOLPH. Mr. Speaker, will the gentleman yield?

Mr. SABATH. I yield to the gentleman.

Mr. RANDOLPH. Although the bill does not specifically mention any loan that may be made to Finland, is it not a fact that the committee brings to the House at this time the measure because it will provide funds for Finnish defense?

Mr. SABATH. It will authorize them, and I hope the authorization will be favorably acted upon, and that this little, brave, courageous, democratic country will be aided by this great Republic of ours to the fullest possible unmilitary extent.

Mr. KEEFE. Mr. Speaker, will the gentleman yield for a question?

Mr. SABATH. I yield to the gentleman.

Mr. KEEFE. Can the gentleman explain whether or not the Johnson Act has any application to loans made by the Export-Import Bank?

Mr. SABATH. It is only with respect to loans to the foreign governments; and the bill, as I understand, restricts the loans to foreign governments in accordance with the Johnson Act.

Mr. BARRY. Mr. Speaker, will the gentleman yield?

Mr. SABATH. I yield to the gentleman from New York.

Mr. BARRY. The committee adopted an amendment which makes the provisions of the Johnson Act apply to this particular matter. Under the Johnson Act, the Export-Import Bank is not affected, but in this particular bill it is by virtue of an amendment.

Mr. KEEFE. I am asking the question for information.

Mr. SABATH. The gentleman from New York [Mr. BARRY] is a member of the committee that held the hearings.

Mr. KEEFE. And the gentleman states that the committee adopted an amendment?

Mr. BARRY. Yes.

Mr. KEEFE. An amendment to what?

Mr. BARRY. An amendment making the provisions of the Johnson Act apply to this particular authorization.

Mr. KEEFE. So the Johnson Act does apply to this authorization?

Mr. BARRY. It did not apply in the Senate bill. I happen to have sponsored that amendment in the committee, and it applies to the particular bill now before the House.

Mr. KEEFE. And the gentleman intends to propose such an amendment?

Mr. BARRY. It is already in the bill.

Mr. EATON. Mr. Speaker, will the gentleman yield?

Mr. SABATH. I yield to the gentleman from New Jersey.

Mr. EATON. Will the gentleman be good enough to point out where in this bill a loan to Finland is authorized?

Mr. SABATH. Well, not directly, but it is authorized indirectly, if she qualifies.

Mr. FISH. Mr. Speaker, will the gentleman yield for a question?

Mr. SABATH. I am always glad to yield to the gentleman who is my genial friend, and whom I personally admire.

Mr. FISH. I would like to ask the gentleman if he will kindly propose now a motion or request that all Members may have 5 legislative days within which to extend their own remarks on this measure.

Mr. SABATH. Mr. Speaker, I ask unanimous consent that all Members who desire to extend their own remarks on this bill may have 5 legislative days within which to do so.

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

There was no objection.

Mr. SABATH. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

Mr. WILLIAMS of Missouri. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of the bill (S. 3069) to provide for increasing the lending authority of the Export-Import Bank of Washington, 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 consideration of the bill S. 3069, with Mr. PARSONS in the chair.

The Clerk read the title of the bill.

The first reading of the bill was dispensed with.

Mr. WILLIAMS of Missouri. Mr. Chairman, I yield myself 10 minutes.

Mr. Chairman, this bill amends the Export-Import Bank law. By an Executive order this bank was established in 1934 under the laws of the District of Columbia, and it is a corporation which has a capital stock at the present time of $46,000,000, $1,000,000 of which is common stock owned by the Government, and the $45,000,000 preferred stock is owned by the Reconstruction Finance Corporation. It was organized for the sole purpose of expediting the exchange of commodities between this country and foreign countries, and to facilitate and stimulate our export trade.

When the amount of business that this bank has done is compared with the total amount of the export business of the country, it is comparatively small, but it is an important part because this bank fills a gap in helping finance our export trade that is not being filled and cannot be filled by the commercial banks of the country.

The bill which is before us is S. 3069, and is the bill practically as it passed the Senate. It enlarges the lending capacity of the bank so that it may have outstanding $200,000,000 in loans rather than $100,000,000, as the law now provides. It does not in any way increase the authority or power of the bank. It does not permit the bank to make any kind of new loans. It simply permits it to make more of the same kind of loans which it has heretofore made. On the other hand, this bill, it must be remembered, places very important restrictions and limitations upon the activities of the bank. In the first place, under our present law there is no limitation as to the amount of loans which may be made to any particular individual borrower except the total limitation of $100,000,000.

This bill provides that of the loans hereafter made no more than $20,000,000 may be outstanding to any particular borrower at any time. That may be in addition, however, to any loan that is now made and outstanding. In other words, the borrower who has a loan, say, of $10,000,000 now, under this bill may receive $20,000,000 more. If there is no loan now, the borrower can obtain only $20,000,000. In addition to that, there are these specific limitations: No loan shall be made in violation of international law and no loan shall be made for the purpose of purchasing any articles listed by the President as materials of war in his proclamation under the neutrality law.

I ask you all, What objection can there be to those limitations? Who wants them? To start with, the bank itself wants these limitations. Is it possible that we are going to have somebody in Congress, when the bank comes here and asks these limitations be put on its powers, when Jesse Jones, the man who is the central figure in its operations, the Federal Loan Administrator, thinks these limitations are desirable—is it possible that somebody in Congress is going to object and seek to remove those limitations and give them a blank check to do what they please with the money? That would be, to my mind, an unreasonable, an unthinkable situation.

Mr. CELLER. Mr. Chairman, will the gentleman yield briefly?

Mr. WILLIAMS of Missouri. In a moment I shall be glad to yield, when I have finished my statement. The important

question, in fact, the only question that is involved here, is whether or not the lending capacity of the Export-Import Bank should be increased. This bill asks that that fund be doubled. Why? Simply because there is an almost unlimited demand for this efficient service that the Export-Import Bank has been rendering the export trade of this country. During the time it has been in operation it has disbursed over $120,000,000 and it has now on hand commitments and applications for over $50,000,000, which it cannot meet unless this enlarged power is given it. That is the reason, and if this policy is sound, and if it is a safe venture, why should not the loans be extended? It is supplying a service that these exporters cannot get anywhere else. It is to meet this demand that this request is being made by the bank, in order to have additional funds with which to meet the demands that are being placed on it.

As to the policy, it has already been established. These loans have already been made. There is nothing new in it. We have made the loans. As to its being a safe venture, the record of the bank speaks for that. Of the $120,000,000 that has been extended, not a single dollar has been lost. It has been a winning proposition, not a losing one, and we are here standing upon the record of the bank, asking that its activities may be increased, not alone to make a loan to Finland, not for the purpose of making a loan to any country or individual, but in order that there may be available to the people of this country the funds and finances by which our surplus agricultural and manufactured products can be exported to the nations of the world. That is what this bill is for. The bank has a record of fine performance, and it is worthy of the confidence of the Members of this Congress. During the time it has been in operation it has made a net profit of $5,000,000, and has not a single loan now in default. I am not saying that in the operations of the future there will not be some losses. In an enterprise as extensive as this is, necessarily from time to time losses are sustained, but as long as your profits are greater than your losses, it is a safe venture, and that is the history of this institution.

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

Mr. WILLIAMS of Missouri. Mr. Chairman, I yield myself 5 minutes more. There has been a great deal said about a loan to Finland. This bill has been referred to as the Finnish loan bill. There is a reason for that. There is a reason why that expression has crept into the press and into the public mind. The President of the United States, in his letter of January 16, to the Speaker of this House and to the President of the Senate, said that "there is, without doubt, in the United States a great desire for some action to assist Finland to finance the purchase of agricultural surpluses and manufactured products, not including implements of war," and he stated in that same letter that the enlargement of the lending powers of the Export-Import Bank might be the most reasonable approach to the subject in order that they may obtain a loan through the bank. This original bill, when it was presented to the Senate by Senator BROWN, who does us the honor of being present at this time, and who was a former able, outstanding Member of this body, provided for a direct loan to Finland of $60,000,000 by the R. F. C.

After further consideration and discussion, the distinguished Senator somewhat modified his view and drafted substantially the bill which is before us now, and in its consideration in the Senate he gave it his able and enthusiastic support. Those are the reasons why there is tied up with this bill a Finnish loan.

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

Mr. WILLIAMS of Missouri. Not just now.

Finland is not mentioned in this bill; but if this legislation is passed, it will give that heroic, immortal little country at least an opportunity to obtain aid and assistance from this the greatest of all democratic nations. Everybody—the world, outside of Russia and perhaps Germany—has an abiding and profound sympathy for that little nation; that nation that is making the most determined and courageous stand in behalf of democratic ideals and for the preservation of human liberty that has ever been recorded; that little nation that is faced with insurmountable difficulties and overwhelming odds, enduring untold hardships and suffering; that little Republic that is now holding the front line of the world's democracies.

It is said that if this loan should be made to Finland it cannot or will not be repaid. I do not know as to that, but I do know that Finland has to her credit a long line of unbroken payments on her obligations to the world. While other nations, stronger and greater and richer than she, have faltered, hesitated, and defaulted and failed, Finland alone has remained true to her obligations and has remained faithful to her promises to us and to the world. [Applause.]

Mr. BROWN of Georgia. Mr. Chairman, will the gentleman yield?

Mr. WILLIAMS of Missouri. I yield.

Mr. BROWN of Georgia. Did not Mr. Jones testify that the chief purpose of this bill was to stimulate export trade?

Mr. WILLIAMS of Missouri. Yes.

Mr. BROWN of Georgia. And did he not also say that when we made a loan, the loan had to be well secured?

Mr. WILLIAMS of Missouri. Yes.

[Here the gavel fell.]

Mr. WILLIAMS of Missouri. Mr. Chairman, I yield myself 1 additional minute.

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

Mr. WILLIAMS of Missouri. I yield.

Mr. CELLER. When a loan was made by the Export-Import Bank to China of $25,000,000, there were no restrictions placed upon it at all, were there? The money could be used to purchase anything.

Mr. WILLIAMS of Missouri. There was no restriction placed upon any of the loans that have been made before. However, the loan was not made to China.

Mr. CELLER. The loan was not made to China?

Mr. WILLIAMS of Missouri. No.

Mr. CELLER. To whom was it made? Was it not made for the benefit of China?

Mr. WILLIAMS of Missouri. You may call it for the benefit of China. The loan was made for the purpose of exchanging commodities between the United States and nationals of China, or the Chinese Government, if you so please.

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

Mr. WILLIAMS of Missouri. I yield.

Mr. O'CONNOR. Senator ADAMS in the Senate is quoted as saying what I am just about to read to the gentleman, and I would like to have his views upon this subject. He said:

> That the Export-Import Bank agrees with the American exporter that if the foreign buyers do not pay for what they buy, the United State Government will stand anywhere from half to all of the loans.

What is there to that assertion?

Mr. WILLIAMS of Missouri. I do not think there is anything at all to that assertion. If he means by that that the Export-Import Bank takes a part of the obligation from the American exporter, that is true. That is the way they carry on their business. It is a participating loan. We will say an exporter makes a sale to a foreign business concern. He takes the obligation or note of the foreign national, endorsed by a bank. It is submitted to the Export-Import Bank for approval, and if the bank thinks it is sound, it will take half of that loan. If that is what he means by assuming half the obligation, that is correct, because that is the manner in which these obligations are handled.

Mr. O'CONNOR. What I am trying to get at is this: Suppose a foreign purchaser defaults, the question is, Does the Export-Import Bank sustain the loss or bear any part of the loss, or all of it?

Mr. WILLIAMS of Missouri. Of course, if the Export-Import Bank takes the obligation of the foreign purchaser and it is not paid, the Export-Import Bank will necessarily lose.

Mr. O'CONNOR. Has the Export-Import Bank authority to make such an agreement?

Mr. WILLIAMS of Missouri. Oh, yes.

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

Mr. WILLIAMS of Missouri. Mr. Chairman, I yield myself 1 additional minute.

The law, of course, itself gives the Export-Import Bank the right to discount paper in order to make these loans.

Mr. O'CONNOR. I do not want the taxpayers of this country to have to make up a loss to the Export-Import Bank or to the American exporter for the default of a foreign country which buys products from an American exporter.

Mr. WILLIAMS of Missouri. None of us wants that, and none of us has experienced that so far. As I have already pointed out, in the operation so far there has been a net profit of $5,000,000 in the transactions.

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

Mr. WILLIAMS of Missouri. Just briefly.

Mr. SHANLEY. Suppose a government that is in debt to us sets up an artificial entity like our Export-Import Bank in their nation. Are you going far enough with this bill? Suppose the French or the British or any other debt-owing nation should set up later an entity that corresponds to the Export-Import Bank, will they be covered by your amendment?

Mr. WILLIAMS of Missouri. That is the intention of it. I think it should be covered by it, because we have agreed upon that amendment.

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

Mr. WILLIAMS of Missouri. Mr. Chairman, I will use a little more of my time to answer these questions, but I do not want to take all of the time.

Mr. GEYER of California. Mr. Chairman, will the gentleman yield?

Mr. WILLIAMS of Missouri. I yield.

Mr. GEYER of California. Does this loan allow the purchase of airplanes?

Mr. WILLIAMS of Missouri. It allows the purchase of commercial airplanes.

Mr. LEWIS of Colorado. Mr. Chairman, will the gentleman yield?

Mr. WILLIAMS of Missouri. I yield.

Mr. LEWIS of Colorado. How does the Export-Import Bank get the funds which it lends?

Mr. WILLIAMS of Missouri. The funds of this bank come from the R. F. C. by means either of loans by the R. F. C. or the purchase by the R. F. C. of preferred stock of the bank. In other words, the Reconstruction Finance Corporation can make a loan to the bank for the necessary funds, or it can purchase preferred stock in the bank, which is, in fact, the same thing.

Mr. LEWIS of Colorado. Where does the R. F. C. get its funds?

Mr. WILLIAMS of Missouri. The R. F. C. gets its funds by selling its debentures to the public.

Mr. LEWIS of Colorado. And not to the Treasury of the United States?

Mr. WILLIAMS of Missouri. No.

Mr. LEWIS of Colorado. So, although there is a guaranty, as I understand, of the debentures of the Reconstruction Finance Corporation, there is no direct draft on the Treasury by the R. F. C.

Mr. WILLIAMS of Missouri. The gentleman has stated it correctly. This bill can be passed and there will be no additional increase of the national debt; and I might say, in view of past history, that there will be no reasonable probability of loss to the Treasury.

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

Mr. WILLIAMS of Missouri. I yield.

Mr. ZIMMERMAN. I have enjoyed very much the very splendid statement made by my distinguished colleague from Missouri. As I remember, there was opposition by certain Members and groups to the continuation of the life of the Export-Import Bank. Does this bill limit the operation of the bank to what it was when its life was extended?

Mr. WILLIAMS of Missouri. Yes; so far as time is concerned, there is no further extension of time. It simply permits the bank to lend more than it has heretofore been able to lend, with the limitation placed on those loans in this bill.

Mr. ZIMMERMAN. And the objections urged against extending the life of the bank at that time and the limitation on the functions of the bank by this bill ought to encourage the support of that group rather than its opposition.

Mr. WILLIAMS of Missouri. Yes; that is right.

Mr. LEWIS of Colorado. Mr. Chairman, will the gentleman yield further?

Mr. WILLIAMS of Missouri. I yield.

Mr. LEWIS of Colorado. Reference has been made to loans to the Chinese Bank. How are these loans being repaid by China?

Mr. WILLIAMS of Missouri. They are being repaid by China; and I may say to the gentleman from Colorado that they are ahead of their scheduled time in the payment. In other words, they have paid back more than the agreements called for up to the present time.

Mr. LEWIS of Colorado. Are they being paid in silver or gold?

Mr. WILLIAMS of Missouri. They are being paid largely by the sale in this country of tung oil and tin, articles we do not produce in this country but which we need. In this connection let me say that this bank has not been used, and will not, under any circumstances, be used to import into this country articles that will come into competition with articles produced here.

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

Mr. WILLIAMS of Missouri. I yield.

Mrs. ROGERS of Massachusetts. The gentleman from Missouri is making a very fine presentation of the situation, and, with his permission, I would like to call attention to a colloquy between Senator BROWN and Senator VANDENBERG when the bill was under consideration in the Senate.

Mr. WILLIAMS of Missouri. Yes.

Mrs. ROGERS of Massachusetts. This is a very clear explanation of the nature of loans made by the Export-Import Bank. I read:

> Mr. VANDENBERG. It occurs to me that the use of the unlimited phrase "loans to China" carries a much broader implication than the practice of the Export-Import Bank contemplates.
>
> Mr. BROWN. The Senator is correct about that.
>
> Mr. VANDENBERG. I think it would be well to have that definitely in mind, for it presents a rather different picture when we remember that the previous loan to China so far is simply the use of American money to finance a barter trade of American commodities for tung oil, and that the new loan contemplated—the so-called new loan—is actually not a loan at all but is merely the financing of an exchange of tin for American commodities. That is rather a different picture from that presented by the broad phrase of a "loan to China."
>
> Mr. BROWN. I have been referring more particularly to outside limitations. The Senator is entirely correct. I think he makes an exceedingly valuable contribution when he points out that these are not outright loans to particular governments; they are advances to citizens of the United States to aid them in the sale of their surplus agricultural or manufactured goods to a government or to the nationals of a government, and they are in no sense of the word loans to China or to Finland.
>
> Mr. VANDENBERG. Will my colleague further yield?
>
> Mr. BROWN. I yield.
>
> Mr. VANDENBERG. I may supplement what has been previously said with the further information from the record that in the tung-oil barter transaction the American purchases came from 570 different American firms. So that the use of the loose phrase "loans to China" in no sense describes the actual nature of the transaction which has occurred or is subsequently contemplated, and I think it makes considerable difference.

Mr. WILLIAMS of Missouri. In principle it is that of an exchange of commodities between us and different nations, and if it be simply construed as a barter or exchange of commodities between countries, that is exactly the thing the act provided for.

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

Mr. WILLIAMS of Missouri. I yield.

Mr. PATRICK. That brings us right down to the purpose of creating the Export-Import Bank, which has frequently been stated as the method this Nation has of promoting the exchange with other countries of our agricultural and manufactured products. That is the whole purpose of this legislation. Has it been serving this purpose very effectively all over the world?

Mr. WILLIAMS of Missouri. It has. The loans that have been made have carried American products into 55 different countries of the world. In other words 55 different countries have received the assistance rendered by this bank; and it is

unthinkable to my mind for any group in this country which wants to extend our export trade to be opposed to the continuation of this function of the bank.

Mr. PATRICK. And it only started in 1934.

Mr. WILLIAMS of Missouri. The gentleman is correct.

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

Mr. WILLIAMS of Missouri. I yield.

Mr. RANDOLPH. I am sure there is no doubt in the mind of the gentleman that by the placing of additional funds to the credit of the bank at this time through action of Congress, Finland will not avail itself of a loan through that agency.

Mr. WILLIAMS of Missouri. It is my hope that Finland may be able to get a loan under this bill if we pass it. As to whether she will or not I cannot, of course, answer because that is a matter that will be up to the bank. I hope so.

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

Mr. WILLIAMS of Missouri. I yield.

Mr. MASSINGALE. I would like to have the gentleman's opinion on this matter.

I believe, and I may be wrong—I want the gentleman to correct me if I am in error—that it is unmistakably true that this bill would not be here today were it not for the fact of the high and intense feeling toward the Finnish Republic and the people of that Republic. Does not the gentleman think that in order to protect the reputation of this House, its forthrightness, and our legislative program, we ought to say straight out and out that this bill is a bill for the purpose of aiding Finland?

Mr. WILLIAMS of Missouri. There are two answers to that question. In the first place, the gentleman's premise, in my judgment, is entirely wrong when he says this bill would not be here if it were not for the demand for a loan to Finland. This bill was here about this time last year, and this very bill passed the Senate and was reported by the Banking and Currency Committee to this House. It was not passed by the House, but it was presented for consideration, which shows conclusively that the request or desire on the part of the Export-Import Bank for additional funds did not originate with the Finland loan by any means. They have been making this request over a period of a year, and a bill was introduced, passed by the Senate, and reported favorably by the Banking and Currency Committee.

In the second place, the gentleman referred to a loan to Finland. If we want to make a so-called loan to Finland, if we want to make a grant to Finland, let us have the courage and the manhood to stand up on the floor of this House and by declaration authorize the Treasury of the United States to give Finland $20,000,000 or $30,000,000 or $60,000,000. Let us not do it through the Export-Import Bank. We are not doing that by this bill. We are putting Finland upon exactly the same basis as any other nation, the same basis as Norway and Sweden, and if they can meet the requirements that the bank lays down, they can get the loan. If they do not, then they will not get the loan. As I said a while ago I have hopes that they will be able to meet the requirements, and I have hopes that Norway and Sweden may be able to meet the requirements, because, if Finland is overrun, it looks to me as if they might be the next ones. But if we want to make a grant to one of these nations, let us not do it through the Export-Import Bank, which, under the law, is required to extend credit upon sound security. Let us not graft it on to this bill, but let us come here as men and proclaim to the world that we as a nation are going to give Finland thirty, fifty, or sixty million dollars. [Applause.]

Mr. MASSINGALE. I agree with what the gentleman from Missouri states and the attitude he takes.

The CHAIRMAN. The gentleman has used 30 minutes.

Mr. MASSINGALE. May I say in addition to what I have already said, in response to the gentleman's answer to my inquiry, that that is what I meant when I directed the question to the gentleman. We ought to be through with camouflaging and should come out here and vote on our own responsibility in regard to this loan.

Mr. WILLIAMS of Missouri. I thank the gentleman, and that is exactly what I am in favor of doing.

Mr. GORE. Will the gentleman yield?

Mr. WILLIAMS of Missouri. I yield to the gentleman from Tennessee.

Mr. GORE. The Banking and Currency Committee is not engaging in any camouflage.

Mr. O'CONNOR. Will the gentleman yield?

Mr. WILLIAMS of Missouri. I yield to the gentleman from Montana.

Mr. O'CONNOR. Unfortunately I did not hear all of the gentleman's speech. Will the gentleman tell us what the record of collections has been by this bank, whether there have been any defaults, and if so, to what extent?

Mr. WILLIAMS of Missouri. There has not been a single default. We have not lost a dollar, and we have a net profit of over $5,000,000.

Mr. LEWIS of Colorado. Will the gentleman yield?

Mr. WILLIAMS of Missouri. I yield to the gentleman from Colorado.

Mr. LEWIS of Colorado. Have any loans been made to Japan?

Mr. WILLIAMS of Missouri. No.

Mr. LEWIS of Colorado. Or to Russia?

Mr. WILLIAMS of Missouri. No.

Mr. BROWN of Georgia. Will the gentleman yield?

Mr. WILLIAMS of Missouri. I yield to the gentleman from Georgia.

Mr. BROWN of Georgia. Did not Mr. Jones testify that all money that may be lent under this bill would be spent for goods purchased in this country?

Mr. WILLIAMS of Missouri. Yes; and I am glad the gentleman refers to that. Whether the loan is made to a national or to the agency of a national or to a nation itself, if made to a nation, Finland, for instance, every dollar of that money must be spent in this country. The money is not turned over to the country or to the national or to the agency to be spent in the purchase of arms or anything else somewhere in the world outside the United States. Every dollar must be spent for the purchase of American goods to be exported to foreign countries.

Mr. BROWN of Georgia. The bill reported by our committee last year carried the identical amount set forth, $100,000,000?

Mr. WILLIAMS of Missouri. Yes.

Mr. BROWN of Georgia. And that was before anybody thought about Finland?

Mr. WILLIAMS of Missouri. That is true.

Mr. RAYBURN. Will the gentleman yield?

Mr. WILLIAMS of Missouri. I yield to the gentleman from Texas.

Mr. RAYBURN. I have not been able to hear all of the remarks of the gentleman, but I take it from his answer made to the gentleman from Oklahoma that he feels as I do, that when people ask you when the Finnish loan bill is going to be taken up he does not brand this as a Finnish loan bill. It is no more a Finnish loan bill than a Norwegian, Denmark, or a Venezuelan loan bill, or a bill involving a loan to any other country in the world. Is that true?

Mr. WILLIAMS of Missouri. That is true.

Mr. RAYBURN. I was glad to hear the gentleman in his very able statement say that this bill would have been here if Russia had never invaded Finland, for the simple reason it was before the House last year. It passed the Senate in the so-called spend-lend bill last year and came to the House from the Banking and Currency Committee. A rule for its consideration was voted down. [Applause.]

[Here the gavel fell.]

Mr. GIFFORD. Mr. Chairman, I yield myself 10 minutes.

Mr. Chairman, it seems to me thoroughly established that at least 98 percent of our people wish to help Finland. It is acknowledged in all the newspapers that we are today voting on a Finnish loan bill. If you try to explain to your constituents, after this day is over, that you voted for a bill to help Finland, your ears should be very red. It is not a Finnish loan bill, in any sense of the word. The previous speaker said he hoped that that nation might get some benefit from it. You have made it almost impossible to give any genuine help because of the conditions imposed in the bill itself.

I want to direct my remarks to one phase in particular. Japan and China are not declared belligerents. They have not acknowledged a state of war, therefore we do not recognize the situation as such. Our security is not at stake, so the President does not have to declare them belligerents. Russia and Finland have not said that they are belligerents, therefore we do not say so.

The Export-Import Bank was set up in 1934 to help Russia and to evade the Johnson Act. Russian business did not materialize. The Second Export-Import Bank was set up to help Cuba. We used it for awhile in only one phase of business, then the two were merged.

You cannot get away from the fact that in the minds of the people we are voting today on a Finnish loan. Why does not the speaker who just left the floor have the courage to amend his bill and specifically vote $20,000,000 for Finland? That is exactly what I want to do. Vote it in this very bill. If the Export-Import Bank could loan China $25,000,000, why can we not through the same agency take care of Finland? It can be done as well as in any other bill. Why would this be different than a direct loan from the Government? We are acting a lie. Of course Japan is at war, but we are selling Japan anything she wants. She is killing millions of Chinese, and we are selling her the materials with which to do it. She is not a declared belligerent, so we can do business with her. But in the case of poor little Finland, which is not even in default in her obligations to us, we write a bill here today, even putting in it provisions treating her as though she were a belligerent. Read carefully the last page of the bill. Read those conditions! If you do not remove them, I shall indeed feel greatly disturbed. I might vote for the bill if that is done. But why stigmatize Finland as a belligerent by saying that you cannot sell her any ammunition through the Export-Import Bank? What is the difference between selling nations through the Export-Import Bank and selling through other channels, if they are not declared belligerents? Of course, all the money remains in this country. We furnish the money to people here so that they may sell to Finland. There may be a Finnish corporation set up for that purpose and the Finnish Government may guarantee the loan, but here you deliberately say, "Finland, you are to be treated as a belligerent." We do not act thus with Russia or Japan. Shame on such a proceeding.

Mr. LEWIS of Colorado. Mr. Chairman, does the gentleman yield?

Mr. GIFFORD. I yield to the gentleman from Colorado.

Mr. LEWIS of Colorado. I believe it was made very clear by the gentleman who presented the bill, the gentleman from Missouri [Mr. WILLIAMS], that no money from this bank has been loaned to Japan.

Mr. GIFFORD. No; but what is the difference? She buys all the ammunition which she desires.

Mr. LEWIS of Colorado. I thought the gentleman implied, at least, that it had been loaned to Japan by this bank.

Mr. GIFFORD. No. However, the gentleman suggested that we have the courage today to make a direct Government loan to Finland. I wish that we would. I should join him in that. It is time we did this for Finland, and we can do it today perfectly well by amending this bill. What I am complaining about is that special difficulties are made for Finland. Finland does not want chocolate creams; she wants ammunition.

Mr. CELLER. Will the gentleman offer an amendment to that effect?

Mr. GIFFORD. Of course, the amendment will be offered, but it ought to come from the Democratic side. What is the result when Republicans offer an amendment?

Mr. CELLER. There are some things in public opinion that might be aroused.

Mr. GIFFORD. I want you to read these conditions. How ridiculous. The R. F. C. is not now lending to nations which are in default. Why put it in this bill? Why put in this bill that we cannot sell any arms and ammunition to Finland, thereby treating her as though she were a belligerent? I am positively ashamed of the conditions which are being imposed. We sell to Japan in a little different way, only just a little different way. The small hope I have is that if we can loan Finland money she will barter goods with Italy or other countries for ammunition. All over this Nation of ours they are today holding bazaars and taking up collections for the relief of Finland. The whole Nation is eager to raise money for that distressed nation. But this is for food, medicines, and things of that nature. More recently we have been trying to raise some private funds—an endeavor to which the gentleman from Ohio [Mr. VORYS] says he subscribes—to provide actual arms to Finland, but that contribution is made by ourselves as individuals. Why are we as a government so fearful? Of whom are we afraid? Perhaps somebody will tell us during the day.

We cannot make a loan to Finland under this bill, if you leave it as it is, except under international law as interpreted by the State Department. What is the present recognized international law? It plainly reads that we can only furnish food and raw materials. We cannot even furnish medicines, under the wording of the law. The State Department's representative came before our committee and said they might interpret that law to take in a great many other things which really were not food and medicines. Contraband now covers a great amount of merchandise, but such conditions make it more difficult for Finland to get any money. These conditions are unnecessary; they are simply impediments.

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

Mr. GIFFORD. I yield to the gentleman from New York.

Mr. BARRY. Why are we under any obligation to lend money to Finland?

Mr. GIFFORD. Because 98 percent of our people want us to, according to your President. And in the name of pure humanity.

Mr. BARRY. That is a conclusion.

Mr. GIFFORD. Do we represent that 98 percent? Are we, as a rich and powerful nation, today really in sympathy with this little country, or are we hypocrites and merely talking a lot, while doing nothing practical to assist Finland?

Mr. BARRY. The only reason that Finland is in any different position from any other country is because Finland simply paid its obligations, while the other countries welshed on theirs.

Mr. GIFFORD. Well, do not compare her with Russia.

Mr. BARRY. Does not the gentleman consider that if he lends me money and I pay it back to him that I still should be grateful to the gentleman?

Mr. GIFFORD. Do not make me draw comparisons between Finland and her actions and those of other countries. We love Finland, but we do not love Russia.

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

Mr. GIFFORD. I yield.

Mr. SHANLEY. I notice the gentleman quoted a statement of Mr. Hackworth, legal adviser of the State Department, in which he said the Government might have the right to send certain commodities to Finland, and I wonder if the gentleman agrees with that statement as a real interpretation of international law.

Mr. GIFFORD. He said the State Department might interpret it liberally, but that is hardly convincing. We want to provide Finland with something that will be of real help; something that she needs to defend herself.

Mr. SHANLEY. But the gentleman will agree that international law means you cannot do that, although he attempted to worm out of this interpretation by using the Habana Convention.

Mr. GIFFORD. The gentleman knows that the law reads "food and raw materials."

Mr. SHANLEY. No; I do not, because I know that international law says that the government per se cannot sell, cannot lend it, or cannot do anything like that.

Mr. GIFFORD. Well, I am quoting the Havana Convention.

Mr. SHANLEY. The gentleman does not agree that that changes international law?

Mr. GIFFORD. I know that you must first submit these matters to the whim of the State Department. Why do you do that? Why not let Mr. Jones, in whom you have every confidence, act in his own way and let him decide the matter? He stated, with respect to Finland, that he thought this was a

good risk. He thought there would always be a Finnish spirit and a Finnish people, and he believed that $10,000,000 was a good loan. I believe he had already advanced $8,000,000.

[Here the gavel fell.]

Mr. GIFFORD. Mr. Chairman, I yield myself 5 additional minutes.

Mr. SHANLEY. Mr. Chairman, will the gentleman yield again?

Mr. GIFFORD. Perhaps I should not, because the gentleman gets me into the field of international law, which he knows all about and I know little about.

Mr. SHANLEY. The gentleman knows I do not do it purposely.

Mr. GIFFORD. The gentleman knows that I know little about it, while he is a student of the subject.

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

Mr. GIFFORD. I yield.

Mr. KEEFE. Is it not a fact that if this loan to Finland were as paramount as the gentleman says it is, with 98 percent of the people of the country demanding it, the Export-Import Bank could make a loan to Finland now without this additional capital?

Mr. GIFFORD. Yes; Finland is not in default, and the bank has about $36,000,000 available. They have used $64,000,000, and they had $100,000,000. They say they have allocated or committed $50,000,000, but that means little. A person or corporation comes in to them and says, "We would like to do business with Brazil," or some other country. "If we can get the order, will you back us up?" They do not always, or perhaps even often, get the order. The bank has $34,000,000, and if it has committed $50,000,000 it can likewise commit $5,000,000 or $10,000,000 more to Finland.

Mr. KEEFE. Mr. Jones testified they could cancel those commitments at any time.

Mr. GIFFORD. Oh, yes, and with respect to this $100,000,000, they are using Finland in order to get it. We are well informed as to what they are trying to do.

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

Mr. GIFFORD. I yield to the gentleman from Michigan.

Mr. CRAWFORD. Mr. Jones made this statement on page 3 of the hearings:

> I can give you the figures fairly accurately, I think. The total loans authorized have been $290,770,000. Of this authorization, $109,554,000 were canceled due to the fact that in most cases the manufacturer was not successful in securing the order for which he made a bid, and a few cases were canceled because the situation changed.

Mr. GIFFORD. Exactly. I want now to continue, and shall not yield until I have finished making an additional statement. As much as I think of Mr. Jesse Jones—and nobody appreciates him more than I—I am tired of hearing here and also on the floor in another body about $10,000,000,000 having been loaned without any loss by the R. F. C. I have the record here. You must have it in your own offices. They have been committed to about nine billion and a half of loans, but they never have actually loaned much over $5,000,000,000, because large amounts were allocated for relief purposes. Some two billion seven hundred million were actually marked off the books of the Corporation as relief expenditures. As I understand it, actual loans of not over one-half of the $10,000,000,000 that you gentlemen boast about have ever been made.

We know perfectly well the record of certain South American countries as to defaults. So long as the bank has more money to loan, these countries will keep current in their payments, but the minute that fund is gone, watch out for defaults. Those are portentous words spoken in another body by one of its most prominent Members. As these are usually long-term loans, of course, there are few, if any, defaults yet recorded.

However, at the moment I am pleading that we eliminate these restrictions from the bill. Give Finland what she really needs. Let Mr. Jones make an unhampered decision. There is no reason why he cannot make Finland a loan for any purpose, on the one condition that, as he says, there is a reasonable hope of her repayment. He must have great confidence in this probability.

Can Finland without assistance hold out much longer? Sweden and Norway may well be frightened over their neutrality, although they have assisted greatly. But we, a great country, safely 3,000 miles away, are afraid of something or somebody.

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

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

Mr. GIFFORD. I yield myself one-half minute more.

Mrs. ROGERS of Massachusetts. Assuming that this bill would help Finland, does not the gentleman feel it is weeks late in being brought to the floor of the House? Gallant little Finland has endured untold misery. Aid from us in the early days might have helped greatly. Why did not the administration make assistance to Finland one of the early measures of this Congress? America has deep admiration of Finland's honesty in paying its debt to us. The people of America have wanted to show that admiration, that appreciation, in some tangible way. The able Minister of Finland, Mr. Procope, has worked tirelessly to explain what his brave country men and women are enduring. He should have the deep gratitude of his nation. We have great appreciation of her courage.

Mr. GIFFORD. Oh, yes; this is called a Finnish bill, but of no aid to Finland.

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

Mr. GIFFORD. Yes.

Mr. CRAWFORD. On pages 3 and 4 of the quarterly report of the Reconstruction Finance Corporation the gentleman will find this statement made by Mr. Jones:

> Summarizing the foregoing, there is allocated $9,704,000,000, plus.

Mr. GIFFORD. I have that here.

Mr. CRAWFORD. Then further he states that of that amount $2,042,000,000 were withdrawn or cancelled.

Mr. GIFFORD. Yes; but they talk about loans of $10,000,000,000. The R. F. C. has done well but it should not try to double the amount actually loaned.

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

Mr. WILLIAMS of Missouri. Mr. Chairman, I yield 10 minutes now to the gentleman from Kentucky [Mr. SPENCE].

Mr. SPENCE. Mr. Chairman, this bill is just what it claims to be and nothing else—a bill to provide for increasing the lending authority of the Export-Import Bank. What is the Export-Import Bank? It is a corporation organized under the laws of the United States to do certain definite things. It is controlled by a chairman and a board of directors. In the making of loans they exercise an independent discretion and judgment, and you cannot take away from them that judgment as long as it retains its character as a corporation organized under the laws of the United States. The Board of Directors will pass upon the loans. They will weigh the securities, they will say whether or not the individual or the corporation or the government that makes application is entitled to the loan. A direction to the Export-Import Bank to make a loan to any individual or any government would be pure camouflage, and would not subserve the purpose for which it was alleged it was put in the bill at all, because any direction to the Export-Import Bank would necessarily be subject to the direction and control of the Board of Directors of that bank, and I say however much we may sympathize with that splendid little country that is fighting for its liberty, no matter how much we may admire the honor of its citizens and the integrity of that Government that stands out among the governments of the world conspicuous for these fine characteristics, we cannot by putting that direction into this bill assure the Republic of Finland the loan it desires. The direction to the Export-Import Bank to make a specific loan to a definite borrower would be comparable to placing in the charter of a national bank that loans must be granted to certain individuals. If the gentlemen are sincere, if the gentlemen really mean what they say, the only way that can

be assured is by a grant to the Republic of Finland. If that country asks for a loan that Board of Directors is going to say to them, what is your security, what are the opportunities for repayment, what is your present status, as to the safety of your institutions, and can you fulfill your obligations? I think as far as that is concerned we can eliminate that from the bill. I believe the sentiment of this House is that Finland should be helped in some manner, but let us do it directly. If we want to do it, let us see that the Government gets what she asks for when she comes to the United States asking for help. Of course, she is precluded from coming here under our neutrality law and obtaining any of the implements of war, because she cannot come in her own ships and pay cash for the goods and take them away. If she can get a loan through the Export-Import Bank it will be entirely in the discretion of the governing Board of the Export-Import Bank to see to it that the money is used for certain purposes, to buy products of the United States.

But I say that in the consideration of this bill you might just as well leave that out of it and no direction that we can place in this bill will assure to Finland that she will get the help she needs.

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

Mr. SPENCE. I yield.

Mr. EATON. It seems that instead of this being a bill to make a loan to Finland, the only condition that it carries is a limitation on the possibility of making a loan to Finland—that they have to buy in this country.

Mr. SPENCE. Well, I do not know that that would be any great limitation. Finland could not ask as a loan for more than $20,000,000, because a loan presupposes payment. A loan presupposes security. In the present state of Finland I doubt that she could come here and assure this Government or assure the lending agencies of this Government that she could repay more than $20,000,000. If you want to help Finland the only assured way is by a grant, because loans imply conditions, and the conditions may be such that the borrower cannot fulfill.

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

Mr. SPENCE. I yield.

Mr. MOTT. I understood the gentleman to say that Finland could not avail herself to buy arms in this country, even if she had the money, because she has no ships in which to transport them. She can use nonbelligerent ships and the ships of neutrals and still buy them, can she not?

Mr. SPENCE. Yes; I think she could use the ships of nonbelligerents.

Mr. MOTT. Then she could avail herself if she had the money?

Mr. SPENCE. If she had the money; yes.

Mr. MOTT. May I inquire if the gentleman is in favor of a direct loan to Finland?

Mr. SPENCE. A direct loan to Finland?

Mr. MOTT. Yes.

Mr. SPENCE. I would be very happy to see Finland obtain a direct loan, but I do not believe in deception. I do not believe in putting things in bills that will be entirely ineffective to accomplish the purpose they are supposed to accomplish.

Mr. MOTT. I agree with the gentleman. I understand we are going to have an opportunity to vote on a substitute for this bill, or an amendment which will carry that provision.

Mr. SPENCE. An amendment to the bill directing the Export-Import Bank to make a definite loan—I think that would be comparable to granting a charter to a national bank and in the charter to the bank saying to whom they can make loans. I think that destroys the whole purpose of this artificial person—this corporation—that must be administered by a board that exercises its discretion as to whom loans will be made.

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

Mr. SPENCE. I yield.

Mr. O'CONNOR. What are the gentleman's views as to whether or not Finland may be able to qualify for a loan with the Export-Import Bank?

Mr. SPENCE. Well, I have no knowledge of that. The committee never looked into that question at all. The committee never investigated as to whether or not Finland could qualify for a loan. I devoutly hope that Finland may not only qualify for a loan but that Finland may crush Russia, but I am afraid my hope is in vain.

Mr. O'CONNOR. I fully agree with the gentleman when he says that he hopes Russia will be crushed. I think everybody is hoping and praying that Russia will be crushed. That is her due because of her indefensible attack upon this little brave nation who is only fighting to maintain her liberty. I think, however, that the committee should have given consideration as to whether or not Finland could qualify for a loan from this country. Is it not a part of our business to try to find out if legislation which we pass will accomplish the purpose of the same?

Mr. SPENCE. Of course, it was not given any consideration. It was not for the Banking and Currency Committee to investigate as to what loans the Export-Import Bank should make. That is perfectly ridiculous. Of course, we never had any investigation along that line, because it was not in our sphere. It is in the sphere of the Export-Import Bank as to whom they shall loan money and how it shall be secured.

Mr. O'CONNOR. Then, this bill should not be characterized as a bill to help Finland? The people are being misled.

Mr. SPENCE. I think not. The bill is exactly what it says it is. It is an extension of the powers of the Export-Import Bank.

Mr. O'CONNOR. It is the same bill that this Congress rejected a year ago?

Mr. SPENCE. No. They put it in the lend-spend bill, and they voted down the rule for the lend-spend bill. If this bill had been submitted independently it would have passed, and passed upon the record that the Export-Import Bank has made. Let me show you what the Export-Import Bank has done.

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

Mr. SPENCE. Yes; I yield.

Mr. KUNKEL. I take it, under this bill Finland is not required to get any of this money, and probably Finland never will on account of their financial standing, because any money they have they want to spend for ammunition.

Mr. SPENCE. I cannot answer that.

Mr. KUNKEL. That is your opinion, is it not?

Mr. SPENCE. When Finland makes her application for a loan, the loan will be passed upon by the board of directors of the Export-Import Bank. You have not said that you want Finland to have a grant. A loan presupposes repayment. A loan presupposes security. They look into those questions. Whether or not Finland can comply is a matter that I have no knowledge of.

Mr. KUNKEL. If you were a director you would be inclined not to grant Finland a loan?

Mr. SPENCE. No; I would not be inclined not to grant the loan.

Mr. KUNKEL. I mean under their present financial circumstances.

Mr. SPENCE. I would be inclined to investigate the facts and treat the application for a loan sympathetically.

[Here the gavel fell.]

Mr. WILLIAMS of Missouri. Mr. Chairman, I yield 3 additional minutes to the gentleman from Kentucky.

Mr. SPENCE. I want to read at this time a general statement of what the Export-Import Bank of Washington has accomplished with the funds at its disposal, and when we go back into the House I shall ask permission to extend in the RECORD following this general statement tables showing a break-down of the totals. This is very interesting and valuable information.

The general statement makes the following disclosures:

GENERAL STATEMENT

Total commitments: Since its establishment the Export-Import Bank has made commitments of $290,714,596.55.

Total cancelations: Because the interested American manufacturers were unable to obtain the business or failed to meet the bank's conditions, commitments aggregating $109,554,826.99 were canceled.

Total disbursements and repayments: Actual disbursements have amounted to $118,833,134.42, of which $51,484,670.93 has been repaid.

Total outstanding and undisbursed commitments: Total loans outstanding are $67,348,463.49, and undisbursed commitments are $63,333,207.85.

Earnings: Although the bank did not operate during the first 18 months of its existence, it has paid dividends upon its preferred stock at the rate of 3 percent per annum through December 31, 1938, and has funds with which to pay dividends accrued to date.

Net profit for the calendar year 1939 was $2,344,776.68.

The tables referred to follow:

Activities of Export-Import Bank of Washington and Second Export-Import Bank of Washington, D. C., Feb. 12, 1934, through Jan. 31, 1940

[Second Export-Import Bank of Washington, D. C., incorporated Mar. 12, 1934, was dissolved June 30, 1936, all of its active commitments being assumed by Export-Import Bank of Washington]

COTTON CREDITS

Country	Project No.	Date approved	Applicant	Amount of commitment	Amount disbursed	Amount repaid	Amount outstanding	Amount of commitment now available to exporter	Remarks
Czechoslovakia.	100, 143	Aug. 7, 1935 and Oct. 21, 1936	Alexander Sprunt Son, Inc., Houston, Tex., and 12 other American cotton shippers made 122 shipments of cotton to spinners in Czechoslovakia against credits guaranteed in the amount indicated, by the following Czechoslovakian bank:						
			Anglo-Czechoslovak & Prague Credit Bank, Prague, Czechoslovakia.	808, 167. 60	763, 870. 19	763, 870. 19		None	
	136	May 26, 1936	Geo. H. McFadden & Bro., New York, N. Y.	15, 000. 00	14, 223. 89	14, 223. 89		(1)	
	137	July 16, 1936	Williamson Cotton Co., Dallas, Tex.	318, 750. 00	16, 349. 55	16, 349. 55		(1)	
Germany	117	Dec. 12, 1935	Bartz & Co., Dallas, Tex.	350, 000. 00	4, 559. 00	4, 559. 00		(1)	
Italy	147	Jan. 7, 1937	American Cotton Cooperative Association, New Orleans, La., and 26 other American cotton shippers made 160 shipments of cotton to Italian spinners against credits guaranteed, in the amounts indicated, by the following Italian banks:						
			Banca D'America E D'Italia	$242, 299. 67	$242, 299. 67	$242, 299. 67		None	
			Banca Nazionale Del Lavoro	147, 823. 69	147, 823. 69	147, 823. 69		None	
			Credito Italiano	814, 668. 89	814, 668. 89	814, 668. 89		None	
			Banco Di Roma	147, 471. 45	147, 471. 45	147, 471. 45		None	
			Banco Di Napoli	66, 066. 07	66, 066. 07	66, 066. 07		None	
			Banca Commerciale Italiana	181, 487. 17	181, 487. 17	181, 487. 17		None	
			Total, [2] No. 147	1, 599, 816. 94	1, 599, 816. 94	1, 599, 816. 94			
	180	July 19, 1938	Crespi & Co., Dallas, Tex., and 33 other American cotton shippers made 327 shipments of cotton to Italian spinners against credits guaranteed in the amounts indicated by the following Italian banks:						
			Banca D'America E D'Italia	85, 220. 82	85, 220. 82	85, 220. 82		None	Line No. 180 expired June 30, 1939. Term of credit: 9 months.
			Banca Nazionale Del Lavoro	272, 755. 14	272, 755. 14	264, 435. 91	$8, 319. 23	None	
			Banco Di Roma	367, 778. 59	367, 778. 59	367, 778. 59		None	
			Credito Italiano	939, 085. 13	939, 085. 13	925, 791. 65	13, 293. 48	None	
			Banco Di Napoli	126, 072. 21	126, 072. 21	123, 889. 19	2, 183. 02	None	
			Banco Di Sicilia	62, 874. 55	62, 874. 55	61, 931. 50	943. 05	None	
			Banca Commerciale Italiana	238, 333. 68	238, 333. 68	238, 333. 68		None	
			Total, No. 180	2,092,120.12	2,092,120.12	2,067,381.43	24, 738. 78		
	230	June 9, 1939	Cook & Co., Memphis, Tenn., and more than 30 other American cotton shippers are making shipments of cotton to Italian spinners against credits guaranteed, in the amounts indicated, by the following Italian banks:						
			Banca D'America E D'Italia	200, 000. 00	121, 720. 85	59, 617. 63	62, 103. 22	$137, 896. 78	Line No. 230 established July 1, 1939—Revolving credit. Term of credit: 9 months.
			Banca Nazionale Del Lavoro	200, 000. 00	95, 993. 67	9, 467. 84	86, 525. 83	113, 474. 17	
			Banco Di Roma	900, 000. 00	650, 785. 27	132, 489. 96	518, 295. 31	381, 704. 69	
			Credito Italiano	1, 800, 000. 00	1, 338, 367. 96	300, 331. 09	1, 038, 036. 87	761, 963. 13	
			Banco Di Napoli	550, 000. 00	389, 597. 88	116, 171. 11	273, 426. 77	276, 573. 23	
			Banco Di Sicilia	450, 000. 00	331, 323. 65	52, 423. 22	278, 900 43	171, 099. 57	
			Banca Commerciale Italiana	1, 800, 000. 00	1, 367, 936. 06	348, 774. 61	1, 019, 161. 45	780, 838. 55	
			Banca Vonwiller	100, 000. 00	44, 882. 63		44, 882. 63	55, 117. 37	
			Total, [3] No. 230	6, 000, 000. 00	4, 340, 607. 97	1, 019, 275. 46	3, 321, 332. 51	2, 678, 667. 49	
Latvia	121	Mar. 10, 1936	Hannay-O'Donnell, Dallas, Tex.	76, 500. 00	10, 782. 03	10, 782. 03		(1)	
Poland	122	do	Geo. H. McFadden & Bros., New York, N. Y.	90, 000. 00	36, 177. 73	36, 177. 73		(1)	
	141	Oct. 21, 1936	do	169, 250. 56	166, 742. 52	163, 250. 56	3, 491. 96	(1)	
	[4] 212	Nov. 3, 1938	Bank Gospodarstwa Krajowego, Warsaw, Poland.	6, 000, 000. 00	[5] 2,396,780.91		2, 396, 780. 91	(1)	Term of credit: 9 months (6-month extension granted with respect to principal payments. Interest payments are current.)
					[6] 947,710.42		947, 710. 42		
Spain	[4] [7] 241	July 28, 1939	Banco Hispano Americano, Madrid, Spain, and Banco Espanol de Credito, Madrid, Spain.	12, 500, 000. 00	5, 605, 405. 31		5, 605, 405. 31	6, 894, 594. 69	Term of credit: Installments over period of 27 months guaranteed by Spanish Ministry of Commerce and Industry.

TOBACCO CREDITS

Spain	11	Sept. 12, 1934	S. B. Smith & Co., Mayfield, Ky.	$672, 871. 78	$672, 871. 78	$626, 341. 32	$46, 530. 46	None	Unpaid balance of $46,530.46 represented by deposits of Spanish currency.

[1] None—Balance of commitment canceled.

[2] The foregoing amounts represent the credit (75 percent) provided by the Export-Import Bank. An additional 25 percent was carried by the interested American shippers or commercial banks.

[3] The amounts stated represent the credit (85 percent) provided by the Export-Import Bank. An additional 15 percent is being carried by the interested American shippers or commercial banks.

[4] Credits established for exclusive use of American shippers.

[5] Cotton.

[6] Copper.

[7] The amounts stated represent the credit (80 percent) provided by the Export-Import Bank. An additional 20 percent is being carried by the interested American shipper or commercial banks.

Activities of Export-Import Bank of Washington and Second Export-Import Bank of Washington, D. C., Feb. 12, 1934, through Jan. 31, 1940—Continued

SPECIAL EXPORTER-IMPORTER CREDITS

[The firms listed below have been granted credit lines ranging from $2,000 to $20,000, revolving, covering miscellaneous shipments to and from various countries. Funds are provided and details handled by commercial banks. Full recourse against applicant. Advances under these credits are repayable in 90 days or less]

Applicant	Credit line granted	Amount disbursed	Amount repaid	Amount outstanding	Amount of commitment now available to exporter	Remarks
United States Victor Fountain Pen Co., New York, N. Y.	$10,000	$2,910.24	$2,910.24		None	Line canceled.
Anglo-American Trading Corporation, New York, N. Y.	10,000	62,972.76	61,812.17	$1,160.59	$8,839.41	
Do	8,500	8,058.82	2,058.82	6,000.00	None	Do.
Egberto A. Banho, New York, N. Y.	10,000	10,000.00	10,000.00		None	Do.
Chas. Bishop & Co., New York, N. Y.	5,000	2,091.15	2,091.15		5,000.00	
M. Cohen & Bro. (Monarch Co.), New York, N. Y.	5,000	3,141.88	3,141.88		5,000.00	
Conklin & Harrington, New York, N. Y.	4,750	4,750.00	4,750.00		None	Do.
Consolidated Exports, Inc., New York, N. Y.	5,000	8,538.12	7,825.64	712.48	4,287.52	
L. A. Cordovez C., New York, N. Y.	5,000	17,394.30	10,914.54	6,479.76		
Defiance Spark Plug Corporation, Toledo, Ohio	10,000	11,849.18	5,303.18	6,546.00	3,454.00	
Enequist Chemical Co., Brooklyn, Ohio	5,000	19,171.36	15,751.27	3,420.09	1,579.91	
E. W. J. Hearty, Inc., New York, N. Y.	10,000	12,579.27	9,506.82	3,072.45	6,927.55	
Home Plan Corporation, New York, N. Y.	5,000	10,264.00	4,474.29	5,789.71		
S. J. Kelley, New York, N. Y.	10,000				10,000.00	
Kentler Bros., New York, N. Y.	2,000	183.52	183.52		2,000.00	
Packard Chemical Co., New York, N. Y.	10,000	34,007.37	27,999.49	6,007.88	3,992.12	
H. R. Potter, New York, N. Y.	5,000	2,060.46	2,060.46		5,000.00	
Sargent Oliver Co., New York, N. Y.	3,000	995.28	995.28		None	Do.
Universal Products, Inc., New York, N. Y.	10,000	69,739.00	69,739.00		10,000.00	
Western States Machine, Hamilton, Ohio	10,000	10,000.00	10,000.00		None	Do.
Wise & Constable, Inc., New York, N. Y.	20,000	52,540.56	36,427.99	16,112.57	3,887.43	

NOTE.—As of Jan. 31, 1940, there was set aside for further exporter-importer credits the sum of $74,730.53, which had not been allotted to any particular firm. That amount has been included in the total of "Undisbursed commitments" in the general statement appearing on p. 13 of the report.

MISCELLANEOUS CREDITS

Country	Project No.	Date approved	Applicant	Commodity	Amount of commitment	Amount disbursed	Amount repaid	Amount outstanding	Amount of commitment now available to exporter	Remarks
Argentina	240	Aug. 4, 1939	Westinghouse Air Brake Co., Pittsburgh, Pa.	Railway equipment to Argentine state railways.	$250,000.00				$250,000.00	Applicant to carry 50 percent; term: 5 years, semiannual installments.
	249	Nov. 2, 1939	General Railway Signal Co., New York, N. Y.	do	425,000.00				425,000.00	Applicant to carry 35 percent; term: 5 years, semiannual installments.
Brazil	80	Feb. 17, 1936	National Foreign Trade Council, New York, N. Y., acting in behalf of United States exporters:	Blocked balances due to United States exporters.	27,750,000.00				(1)	Full recourse against respective applicants.
			W. D. Blood & Co., New York, N. Y.			$17,073.22	$12,076.18	$4,997.04		Balance due represented by notes of Bank of Brazil (endorsed by interested United States exporter), payable in monthly installments over the next 14 months.
			Byington & Co., New York, N. Y.			24,601.01	19,030.97	5,570.04		
			Fisk Tire Export Co., Chicopee Falls, Mass.			39,623.65	30,978.49	8,645.16		
			J. & H. Goodwin, Ltd., New York, N. Y.			66,108.96	51,418.08	14,690.88		
			H. S. Henry & Son, New York, N. Y.			34,533.00	25,324.20	9,208.80		
			A. G. Khouri & Co., Inc.			42,538.50	33,085.50	9,453.00		
			G. Lindner & Co., New York, N. Y.			38,911.40	30,421.64	8,489.76		
			National Paper & Type Co., New York, N. Y.			21,505.81	16,636.57	4,869.24		
			The Parker Pen Co., Janesville, Wisconsin.			24,127.60	18,957.40	5,170.20		
			R. K. O. Export Corporation, New York, N. Y.			23,706.48	18,626.52	5,079.96		
			Raleigh Smokeless Fuel Co., Beckley, W. Va.			25,349.22	19,716.06	5,633.16		
			H. W. St. John & Co., New York, N. Y.			43,450.00	33,970.00	9,480.00		
			Terramarine Trading Corporation, New York, N. Y.			53,631.18	41,713.14	11,918.04		
			Texas Co., New York, N. Y.			83,052.54	61,386.66	21,665.88		
			do			1,074,329.54	794,069.66	280,259.88		
			Ultramares S. A. Trading Corporation, New York, N. Y.			20,900.70	16,256.10	4,644.60		
			United American Bosch Corporation, Springfield, Mass.			21,835.55	17,071.43	4,764.12		

[1] None—balance of commitment canceled.

Activities of Export-Import Bank of Washington and Second Export-Import Bank of Washington, D. C., Feb. 12, 1934, through Jan. 31, 1940—Continued

MISCELLANEOUS CREDITS—continued

Country	Project No.	Date approved	Applicant	Commodity	Amount of commitment	Amount disbursed	Amount repaid	Amount outstanding	Amount of commitment now available to exporter	Remarks
Brazil	80	Feb. 17, 1936	National Foreign Trade Council, New York, N. Y., acting in behalf of United States exporters—Continued.							
			Well Machinery & Supply Co., Inc., Fort Worth, Tex.			$34,363.84	$27,000.16	$7,363.68		
			Wessel Duval & Co., New York, N. Y.			27,335.28	21,477.72	5,857.56		
	87g	Feb. 10, 1937	Duplex Printing Press Co., Battle Creek, Mich.	Printing presses	$74,000.00	14,000.00	14,000.00		(1)	Full recourse against applicant.
	192	Apr. 6, 1938	Cameron Can Machinery Co., Chicago, Ill.	Machinery	65,000.00	31,988.00	31,988.00	None	(1)	Applicant carried 35 percent.
	200	May 20, 1938	American Car & Foundry Co., American Locomotive Sales, Pullman-Standard Car Export, New York, N. Y.; Baldwin Locomotive Works, Philadelphia, Pa.	Freight cars and equipment to Central Rys., Brazil.	7,000,000.00				$7,000,000.00	Applicant to carry 35 percent; term: 4½ years, quarterly installments.
	210	Oct. 12, 1938	American Locomotive Sales Corporation, New York, N. Y.	Locomotives to Sorocabana Ry.	292,500.00	177,714.44	30,249.26	147,465.18	(1)	Applicant carries 35 percent; term: 4 years.
	218	Feb. 18, 1939	Brazil Oiticica, Inc., New York, N. Y.	Oiticica products	541,034.05	541,034.05	541,034.05		None	Full recourse against applicant; term: 90 days.
	218a	July 18, 1939	do	do	150,000.00	102,980.24	102,980.24		(1)	Full recourse against applicant; term: 60 days.
	221	Feb. 3, 1939	Cen-Tennial Cotton Gin Co., Columbus, Ga.	Machinery	132,584.39	132,584.39	107,699.42	24,884.97	75,115.03	($100,000 revolving credit.) Full recourse against applicant; term: 90 days.
	223	Mar. 2, 1939	Banco do Brasil, Rio de Janeiro.	Dollar exchange—exclusively to meet claims of more than 400 United States exporters.	19,200,000.00	19,200,000.00	3,840,000.00	15,360,000.00	None	Term: 2 years in quarterly installments.
	229	June 9, 1939	American Locomotive Sales Corporation, New York, N. Y.	Locomotives to Sorocabana Ry.	227,500.00				227,500.00	Applicant to carry 35 percent; term: 4 years, quarterly installments.
	232	June 12, 1939	Whitin Machine Works, Whitinsville, Mass.	Machinery	20,000.00				20,000.00	Applicant to carry 40 percent; term: 3 years, semiannual.
	233	do	Bessa-Jonas, Inc., New York, N. Y.	Tropical products	602,545.00	602,545.00	475,710.28	126,834.72	123,165.28	($250,000 revolving credit.) Full recourse against applicant; term: 60 days.
	244	Sept. 13, 1939	United States Steel Products Co. and Bethlehem Steel Export Corporation.	Steel rails to Noroeste Ry.	1,100,060.00				1,100,060.00	Banco do Brasil to advance 35 percent; term: 6 years, semiannual installments.
	247	Sept. 27, 1939	Moore-McCormack Lines, Inc., New York, N. Y.	Ships to Lloyd Brasileiro.	2,275,000.00				2,275,000.00	Banco do Brasil to advance 35 percent; term: 6 years, quarterly installments.
Canada	87f	Dec. 10, 1936	Duplex Printing Press Co., Battle Creek, Mich.	Printing presses	15,000.00	15,000.00	15,000.00		None	Full recourse against applicant.
Chile	174	Oct. 20, 1937	Baldwin Locomotive Works, Philadelphia, Pa.	Locomotives to Chilean state railways.	600,000.00	499,051.00	187,144.12	311,906.88	(1)	Applicant carries 50 percent; term: 5 years, semiannual.
	198	May 9, 1938	International Harvester Co., Chicago, Ill.	Farm machinery	521,871.13	521,871.13	416,289.60	105,581.53	119,418.47	($225,000 revolving credit.) Applicant carries 50 percent; term: 5 months.
	226	Apr. 25, 1939	Westinghouse Electric International Co., New York, N. Y.	Railway equipment.	200,200.00				200,200.00	Applicant to carry 35 percent; term: 5 years, semiannual.
	243	Aug. 4, 1939	Baldwin Locomotive Works, Philadelphia, Pa.	Locomotives to Chilean state railways.	1,600,000.00				1,600,000.00	Applicant to carry 35 percent; term: 5 years, quarterly installments.
	245	Sept. 27, 1939	Fomento Corporation, Chile.	Industrial products machinery.	5,000,000.00				5,000,000.00	Term: 8 years, installment payments.
China	135	May 28, 1936	Reconstruction Finance Corporation ($13,537,387.79) and Farm Credit Administration ($3,070,942.20).	Cotton and wheat	16,608,329.99	16,608,329.99	6,108,329.99	10,500,000.00	None	Payable in installments through 1942.
	155	Feb. 10, 1937	Wah Chang Trading Corporation, New York, N. Y.	Sulphur	85,000.00	75,000.00	75,000.00		(1)	Full recourse against applicant.
	166	May 4, 1937	Anderson, Meyer & Co., New York, N. Y.; Baldwin Locomotive Works, Philadelphia, Pa.; American Locomotive Sales, New York, N. Y.	Locomotives	1,600,000.00	733,200.00	293,280.00	439,920.00	[1] None	Applicant carries 50 percent; term: 5 years, monthly.
	217	Dec. 13, 1938	Universal Trading Corporation, New York, N. Y. (570 purchases from American firms have been financed to date under the above credit, project No. 217.)	Agricultural and manufacturing products.	25,000,000.00	17,090,000.00	2,239,000.00	14,851,000.00	7,910,000.00	Term: 5 years, installment payments; obligation is guaranteed by the Bank of China.

[1] None—balance of commitment canceled.

Activities of Export-Import Bank of Washington and Second Export-Import Bank of Washington, D. C., Feb. 12, 1934, through Jan. 31, 1940—Continued

MISCELLANEOUS CREDITS—continued

Country	Project No.	Date approved	Applicant	Commodity	Amount of commitment	Amount disbursed	Amount repaid	Amount outstanding	Amount of commitment now available to exporter	Remarks
Cuba	1	Mar. 28, 1934	Republic of Cuba	Silver bullion coined at United States mint.	$3,774,724.93	$3,774,724.93	$3,774,724.93		None	
	54	Dec. 26, 1934	do	do	4,359,095.52	4,359,095.52	4,359,095.52		None	
	109	Sept. 20, 1935	do	do	5,158,202.00	5,158,202.00	5,158,202.00		None	
	139	Aug. 4, 1936	do	do	7,311,537.00	7,198,475.05	7,198,475.05		None	
	175	July 12, 1938	do	do	6,950,475.86	6,950,475.86	6,950,475.86		None	
	186	Mar. 1, 1938	Charles H. Williams & Associates, New York, N. Y.	Hats	37,500.00	37,500.00	37,500.00		None	Full recourse against applicant.
Colombia	235	June 23, 1939	Saco Lowell Shops, Boston, Mass.	Machinery	135,000.00				$135,000.00	Applicant to carry 35 percent; term: 5 years, semiannual installment.
			The Textile Finishing Machine Co., Providence, R. I.		38,000.00	33,337.24		$33,337.24	(1)	Do.
			Draper Corporation, Hopedale, Mass.		60,000.00				60,000.00	Do.
	238	July 18, 1939	Hamlin Machine Co., Malden, Mass.	Machinery	4,500.00	4,500.00		4,500.00	None	Applicant carries 25 percent. Term: 2 years, 60-day installments.
Costa Rica	96	Dec. 12, 1935	American Steel & Iron Co.	Used steel rails	51,000.00	50,878.62	50,878.62		(1)	Applicant carried 25 percent. Term: 2 years, monthly installments.
	248	Oct. 12, 1939	Banco National de Costa Rica.	Dollar exchange—exclusively for purchases in United States.	500,000.00				500,000.00	Revolving line of credit; advances repayable in 180 days.
Finland	250	Dec. 13, 1939	Finnish American Trading Corporation, New York, N. Y.	do	10,000,000.00	38,753.24		38,753.24	9,961,246.76	Term: 5 years installment payments. Obligations guaranteed by Government of Finland.
Haiti	201	June 18, 1938	J. G. White Engineering Co., New York, N. Y. (Purchases from 241 American firms have been financed to date under the above credit: Project 210.)	Construction material.	5,000,000.00	1,905,000.00		1,905,000.00	3,095,000.00	Term: 5 years.
	234	June 16, 1939	Standard Fruit & Steamship Co., New York, N. Y.	Construction material and equipment.	500,000.00				500,000.00	Term: 5 years, semiannual installments.
Iran	177	Dec. 9, 1937	White Motor Co., Cleveland, Ohio.	Tires and automotive equipment.	265,000.00	157,644.32	157,644.32		(1)	Applicant carried 50 percent.
	177	do	Studebaker Export Corporation, South Bend, Ind.	do	100,000.00	64,754.43	64,754.43		(1)	Do.
	213	Feb. 2, 1938	Goodyear Tire & Rubber Export Co., Akron, Ohio.	Tires	130,000.00	110,035.20	97,350.09	12,685.11	(1)	Applicant carries 35 percent; term: 7 months.
	242	July 28, 1939	do	do	130,000.00	129,995.44		129,995.44	(1)	Do.
Italy	239	July 18, 1939	Eagle Ottowa Leather Co., Grand Haven, Mich.	Leather	40,000.00	6,942.04	6,942.04		33,057.96	Term: 6 months.
Mexico	77	May 2, 1935	Armco International Corporation, Middletown, Ohio.	Pipe and water meters.	87,100.00	84,998.26	84,998.26		(1)	Applicant carried 33 percent.
	152	Jan. 28, 1937	Fairbanks, Morse & Co., New York, N. Y.	Pumps and meters	82,500.00	42,000.00	42,000.00		(1)	Applicant carried 50 percent.
	157	Feb. 27, 1937	American Car & Foundry Co., New York, N. Y.	Railway equipment.	500,000.00	225,961.05	92,931.15	133,029.90	(1)	Applicant carries 50 percent; term: 6 years, monthly installments.
	159	do	American Locomotive Sales Corporation, New York, N. Y.	Locomotives	1,250,000.00	602,649.39	602,649.39		(1)	Applicant carried 50 percent.
	160	Apr. 8, 1937	The Permutit Co., New York, N. Y.	Water-purifying equipment.	36,000.00	36,000.00	36,000.00		None	Do.
	171	Aug. 23, 1937	Harnischfeger Corporation, Milwaukee, Wis.	Machinery	125,000.00	57,682.50	57,682.50		(1)	Do.
Nicaragua	227	May 17, 1939	Banco Nacional de Nicaragua, Managua, Nicaragua.	Dollar exchange—exclusively for purchases in United States.	500,000.00	150,000.00		150,000.00	350,000.00	All advances repayable in quarterly installments over 3-year period.
	227a	do	Thomas A. Jones, engineer.	Construction material equipment and services.	2,000,000.00				2,000,000.00	Term: 7 years; semiannual installments, obligations of Republic of Nicaragua.
Panama	246	Sept. 27, 1939	Panamanian Credits, Republic of Panama.	Equipment, materials, and services.	2,500,000.00				2,500,000.00	Term: 8 years; monthly installments.
Paraguay	228	June 1, 1939	Banca de la Republica del Paraguay.	Dollar exchange, exclusively for purchases in United States.	500,000.00	100,000.00		100,000.00	400,000.00	All advances repayable in quarterly installments over 3-year period.
	228a	do	R. W. Hebard & Co., Inc., New York, N. Y.	Construction material equipment, and services.	3,000,000.00	40,000.00		40,000.00	2,960,000.00	Term: 10 years; semiannual installments, obligations of Republic of Paraguay.

[1] None—balance of commitment canceled.

Activities of Export-Import Bank of Washington and Second Export-Import Bank of Washington, D. C., Feb. 12, 1934, through Jan. 31, 1940—Continued

MISCELLANEOUS CREDITS—continued

Country	Project No.	Date approved	Applicant	Commodity	Amount of commitment	Amount disbursed	Amount repaid	Amount outstanding	Amount of commitment now available to exporter	Remarks
Portugal	219	Jan. 12, 1939	American Locomotive Sales Corporation, New York, N. Y.							
			International General Electric, New York, N. Y.	Railway equipment to Portuguese railways.	$5,000,000.00	$246,016.40		$246,016.40	$4,753,983.60	Applicant to carry 25 percent; term: 5 years, semiannual installments. Obligations guaranteed by Bank of Portugal.
			E. G. Budd Manufacturing Co., Philadelphia, Pa.							
			Baldwin Locomotive Works, Philadelphia, Pa.							
Venezuela	131	May 15, 1936	National Paper & Type Co., New York, N. Y.	Printing presses	36,000.00	33,000.00	33,000.00		(1)	Full recourse against applicant.

[1] None—balance of commitment canceled.

SPECIAL CREDITS, VARIOUS COUNTRIES

Project No.	Date approved	Applicant	Commodity	Amount of commitment	Amount disbursed	Amount repaid	Amount outstanding	Amount of commitment now available to exporter	Remarks
87	Oct. 29, 1935	Duplex Printing Press Co., Battle Creek, Mich.	Printing presses	$100,000	$77,571.58	$77,571.58		(1)	Full recourse against applicant.
164	Apr. 22, 1937	do	do	100,000	83,400.00	24,900.00	$58,500	$41,500	($100,000 revolving credit.) Term: 3 years, monthly installments.
215	Dec. 8, 1938	International Telephone & Telegraph Corporation, New York, N. Y.	Telephone equipment	10,000,000	10,000,000.00	200,000.00	9,800,000		Term: Installments over period of 10 years.

[1] None—balance of commitment canceled.

The International Telephone & Telegraph exports annually equipment from the United States valued in excess of $3,000,000. The above represents the Export-Import Bank's participation in a $15,000,000 credit, the other $5,000,000 being provided by 5 American commercial banks.

SPECIAL TRANSACTIONS

Germany: The Export-Import Bank, acting on behalf of Farm Credit Administration, negotiated the settlement of a loan of $2,661,309.75 to Deutsche Getreide Handelsgesellschaft, m. b. h., upon which payments of principal were in default. Since Jan. 15, 1938, the sum of $1,500,000 has been collected, and the obligation is being reduced at the rate of $75,000 per month.

The passage of this bill does not involve any increase in the indebtedness of the United States. The Export-Import Bank has actually earned money on its operations since its inauguration. It will continue under the able management of Jesse Jones, who, I think, is perhaps the ablest administrator in the United States; a man who always has his feet on the ground; a man whose judgment is sound; a man who has made a success of his private business and a success of the great interests of the United States that have been entrusted to his care. I believe we can rely upon him to do the right thing by the people who come to this great institution asking for loans, and I believe we can rely upon him also to protect the interests of the United States. Leaving out of the question anything in regard to the Finnish loan, it is my belief that this bank, tried upon its own record and its accomplishments, will justly deserve to secure the additional $100,000,000 and an authorization to continue its functions. [Applause.]

[Here the gavel fell.]

Mr. LUCE. Mr. Chairman, I yield 10 minutes to the gentleman from Connecticut [Mr. MILLER].

Mr. MILLER. Mr. Chairman, there seems to be a difference of opinion as to whether this bill is even supposed to be one providing aid for Finland. Certainly the press of the country, and I believe the people of the country, feel that the House is today considering a bill to make possible a loan to Finland; and I believe they think this is true because of statements uttered by the President of the United States. The President certainly indicated very plainly that the Export-Import Bank was the proper medium through which to give assistance to Finland. He so stated on at least two occasions.

There are definitely two questions involved in the consideration of this bill. The first is whether or not we should, regardless of Finland, increase the capital of the Export-Import Bank by $100,000,000, and I thought at least until this morning that we were considering possible aid to Finland. We do not need to give much consideration to the question of increasing the capital of the Export-Import Bank. If in the wisdom of Congress they feel that such provision will aid the export business of the country and is needed, such a bill will pass. I do believe, however, that we should give much more consideration to whether or not Finland is going to get a dime because of the increase by $100,000,000 of the capital of the Export-Import Bank. Certainly Mr. Jones told us in the Committee on Banking and Currency that there was no assurance the way this bill is drawn, that if the bill is passed Finland would get a dime. He said: "Finland may get $5,000,000, she may get $7,000,000, she may get $12,000,000, and she may not get anything."

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

Mr. MILLER. Very briefly.

Mr. O'CONNOR. What is to prevent this same bank from making a loan to Finland of $20,000,000 if we do not pass this bill at all?

Mr. MILLER. Nothing. If the bank wanted to make it they would have made it a long time ago.

Mr. CRAWFORD. Mr. Chairman, will the gentleman yield on that point?

Mr. MILLER. Very briefly.

Mr. CRAWFORD. It is also true that under the law as it now stands, and under this bill as it came from the Senate, the Export-Import Bank could lend to our nationals many times $20,000,000 to ship the same kind of goods to these countries.

Mr. MILLER. If they wanted to; certainly. I believe that the Members of this House and the people of the United States want to do something for Finland. I believe we should

be given the opportunity of doing it here today; and at the proper time an amendment will be proposed that will make possible a definite vote.

The gentleman from Kentucky [Mr. SPENCE] made a great deal of the fact that we would in fact be instructing the board of directors of the Export-Import Bank as to how to run their business. I do not believe that is quite a proper interpretation of the action of this House, assuming that the House does take action to indicate to Mr. Jones that it is our desire that if Finland can meet the conditions we want the bank to make a loan to her. At the proper time I shall propose an amendment authorizing the Export-Import Bank to make such a loan. I believe, however, that we should not make it mandatory, but under existing circumstances they are authorized. It is possible there may be a declaration of war between Russia and Finland in the next week, which would change our position, but with the word "authorized" or "empowered" used therein, we would indicate our desire to authorize a loan to Finland on proper application of not to exceed $20,000,000 without restriction on the type of merchandise to be purchased in the United States. After all, if Finland wants help, she needs the things necessary to defend her territory and her liberty and we are not going to serve our conscience much if we simply increase the capital of the Export-Import Bank and allow Finland to buy things in this country that are surpluses, then go back home and righteously throw out our chest and say, "I voted for $100,000,000 and I thought a great deal of that would aid Finland," when, as a result of statements made on the floor this morning, if the bill passes in its present form Finland will get certain surpluses, and that is all she will get.

Mr. ALLEN of Pennsylvania. Will the gentleman yield?

Mr. MILLER. I yield to the gentleman from Pennsylvania.

Mr. ALLEN of Pennsylvania. If we do not lend Finland money for defense purposes, for implements of war, for instance, our chances of ever getting any money back which we lend her for civil purposes will be very small.

Mr. MILLER. You will lessen that chance.

That brings us up to the question whether or not we have a right under international law and under our own Neutrality Act to make this loan. I call attention to the fact that the bill as drawn provides that the loans must be made in accordance with international law as determined by the State Department, and the amendment I propose to offer will not strike out that provision. Certainly I would not want to advocate and would not want to be a party to any violation of international law. If we are going to accept the ruling of the State Department and assume the attitude that there is no war going on in Finland or that Finland and Russia are not at war, and that China and Japan are not at war, then we can ship anything we want to those countries, because if we determine that they are at war, then certainly we cannot lend them money. If munitions are contraband, then by the same token money is contraband. There is not a Member of this House who would propose today that we lend money to any of the countries that are openly and legally at war, so we must start on the premise that legally there is no war between Finland and Russia. We have adequate precedents for this. You can split hairs and say that the Export-Import Bank did not lend $25,000,000 to China. No; that loan was made to a Chinese corporation in New York, and by the same token and by the same subterfuge the United States Government is not going to lend money to Finland.

We are going to do that through a corporation, the Export-Import Bank. I am sure if we notify Finland that the Export-Import Bank has $20,000,000, it will lend to a Finnish corporation incorporated in New York under the laws of Delaware, that that corporation will be set up before this bill can be passed.

Mr. JOHNS. Will the gentleman yield?

Mr. MILLER. I yield to the gentleman from Wisconsin.

Mr. JOHNS. Is it not a fact that they have such corporation set up now and we have already lent it $20,000,000?

Mr. MILLER. We have lent it $10,000,000, of which $8,000,000 have been spent, but I think that was a direct loan. Finland can qualify under the same requirement that we invoked for China.

The gentleman from Kentucky [Mr. SPENCE] emphasized the fact that this bank had to be bound by reasonable banking practices, that a loan implied security; still if you read the hearings Mr. Jones told the Banking and Currency Committee, and I know the gentleman from Kentucky will accept Mr. Jones' word for it, that he was confident it would be safe and prudent to lend Finland $20,000,000, and he felt Finland would repay that loan no matter what happened in the present emergency. I think his words were that there will be a Finnish people and a Finnish spirit for many years to come. He felt we were perfectly safe in lending this money to Finland under existing circumstances.

I think this covers, as best I can in the few minutes available, the thoughts I have on the Finnish loan. I would like to go back to the question of increasing the capital of the Export-Import Bank by $80,000,000 more than is needed to take care of this Finnish loan, and I want to revert to a loan made to a Chinese corporation, guaranteed by the Bank of China, which is in turn controlled by the Government of China.

This money was lent for the purpose of shipping automobile trucks, largely manufactured by the General Motors Corporation, to China. I submit that the Treasury of the United States is not in any condition to go out and borrow from its taxpayers money to lend and make possible the shipment of trucks, locomotives, and so forth, to any foreign government. I asked Mr. Jones if he could tell me why it was that General Motors, with its excellent financial condition, with the tremendous cash reserves its last statement shows, adequate, ample cash reserves, should not finance these shipments, and why the taxpayers of the United States should finance the shipment of these trucks, and so forth, for General Motors to China.

[Here the gavel fell.]

Mr. LUCE. Mr. Chairman, I yield the gentleman 1 additional minute.

Mr. MILLER. Mr. Chairman, Mr. Jones said, in substance, that perhaps they were able to do it, but they would not do it. You can make the statement all you want that this money is not going to increase the national debt, but there is only one place that the Treasury of the United States, the R. F. C., or the Export-Import Bank can get money to spend or to lend to anybody, and that source is the taxpayers of the United States. Whether you route it through the Export-Import Bank or the R. F. C., if the money is lent to anybody it has to come from the pockets of the taxpayers. I do not believe we are in any condition to increase the capital of that bank for the purposes indicated in the hearings. [Applause.]

[Here the gavel fell.]

Mr. WILLIAMS of Missouri. Mr. Chairman, I yield 10 minutes to the gentleman from California [Mr. THOMAS F. FORD].

Mr. THOMAS F. FORD. Mr. Chairman, a great deal has been said about this simple little bill which merely has as its purpose increasing the authority of the Export-Import Bank in the sum of $100,000,000. A great deal has been said about the bill for the purpose of making a loan to Finland.

As a matter of fact, under that bill loans will probably be made to China, to Sweden, and to Norway, still no one has had the temerity to get up and call it a Norwegian-loan bill or a Swedish-loan bill, or a Chinese loan bill, and as a matter of fact, it is none of these. It is not a bill to loan money to any particular country or any particular group of individuals; it is merely an authorization to increase the bank's lending power $100,000,000. If in the course of disbursing these funds an additional $20,000,000 is loaned to Finland, there is authority for that in this bill, but there is also a restriction that no person, corporation, nation, or otherwise, can secure a loan in excess of $20,000,000.

A great deal has been said about lifting the lid and letting us loan this money to Finland for any purpose. Let me make this observation. If Finland has $5,000,000 or $10,000,000 that she can transfer into dollars at the present time she can come to the United States and buy anything she has the money to pay for, and take it away, under the cash-and-carry provisions of the Neutrality Act. She can buy foodstuffs, munitions, or anything else. As a matter of fact, she is doing that right now with her own money, and there is no bar in international law that keeps us from selling to her providing she comes over and takes the goods away, under the provisions of the Neutrality Act. However, to make a loan to Finland to purchase war materials is a horse of another color. Clearly, if we did that, regardless of the fact that she is not at war technically, we would be, if not actually, violating international law or coming so close to it that we would be endangering the peace and safety of the United States, because that would put us in a position that might involve us in a war with another power.

If my friends on the other side, who claim they are the great peace party and who are going to save the United States from getting into war, are going to insist that we make that kind of a loan, a loan for the purchase of war materials, they will have lost their peace status entirely, and as warmongers must reckon with the people of the United States. Permit me to tell you that, gentlemen, to warn you before you make that mistake, for I am convinced that while 98 percent of the people want to help Finland, an equal number want to keep out of foreign wars.

It has been said and it should be said again that the primary purpose of this bill is to place funds at the disposal of the Export-Import Bank for the purpose of stimulating the foreign trade of the United States, and particularly the exports of the United States. I believe one of my colleagues on the committee, the gentleman from Tennessee [Mr. GORE], has a specific case to present to you. May I ask the gentleman from Tennessee if he does not have such a specific case?

Mr. GORE. Yes.

Mr. THOMAS F. FORD. That will explain exactly the mechanics of these loans.

On many occasions American exporters come to the Export-Import Bank and ask for a commitment of $1,000,000, $5,000,000, or whatever sum they happen to need. The reason they ask for that money is that they have bid on some large project in a foreign country, and they want to be sure of having the capital to carry it out if they get the order. They cannot go to an ordinary commercial bank and get that kind of a loan because the loan must run over a period of years, beyond the time a local commercial bank can loan. The bank investigates the matter, or the board does, and if they find that it is a sound loan, that if the people having the work done in the foreign country can get a good bank to endorse their paper and the firm that wants to do the work is a sound concern and can give its own endorsement and can participate to some extent in the loan the loan is made, and as a result $4,000,000 or $5,000,000 worth of American exports are sent to a foreign country and ultimately paid for.

Of the $290,000,000 that has been committed, only about $118,000,000 has been loaned and paid out. In my judgment, that ought to be a fairly good criterion by which to judge the care and the caution with which this bank handles the money entrusted to its care for the purposes we have heretofore stated.

Mr. Chairman, this is not a Finnish loan. This is no more a Finnish loan than it is a Chinese loan or a Norwegian loan or a Swedish loan or a railroad material supply loan. Any one of those captions might be applied to it under the philosophy that the opposition has attempted to develop here today.

If the Export-Import Bank receives this additional $100,000,000, it will be in a position to take up the $60,000,000 of advance commitments that it has made, and will have about $40,000,000 additional to make new loans. If I had my way, and if Mr. Jones would say he would take it, I would have liked to increase this amount to $300,000,000, because I can conceive of a situation arising in South America which will force good business that has been going to European concerns who can no longer supply their needs to turn to merchants and industries in this country. I can see under such conditions an opportunity for this bank to do a great deal more business than it is doing now, and for our American exporters to do a great deal more business than they are doing right now. For that reason I would like to see the bank have this authority increased, not $100,000,000 but $200,000,000, to enable it to carry on that business.

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

Mr. THOMAS F. FORD. I am sorry, I cannot yield.

Mr. PATRICK. The gentleman is shedding so much light I thought maybe he would shed a little more.

Mr. THOMAS F. FORD. The gentleman will have an opportunity later.

Mr. PATRICK. I thank the gentleman.

Mr. THOMAS F. FORD. Now, they say there is going to be an amendment offered to this bill directing the Export-Import Bank to lend a certain amount to Finland. Another Member will offer an amendment that does not direct but merely authorizes the bank to make the loan. This is exactly the position of the old lady who said to her daughter who wanted to go out to swim, "Yes, my darling daughter; hang your clothes on a hickory limb but don't go near the water."

Under this bill, which I favor and shall vote for, if Finland can qualify for an additional loan of $20,000,000, she will get it. If the amendment to authorize a loan carries, Finland will still have to qualify to get the loan. Even if the so-called Fish amendment is adopted, Finland will still have to qualify, unless the Fish amendment provides for a gift of that sum to Finland.

Either of the amendments will delay the loan to Finland.

Mr. GIFFORD. Mr. Chairman, I yield 10 minutes to the gentleman from New Jersey [Mr. KEAN].

Mr. KEAN. Mr. Chairman, I yield to no one in my sympathy or admiration for the Finnish people, but in this bill my sympathy or the sympathy of the people of the country is being used as an excuse to get more money for the Export-Import Bank.

That this is true is evident from the testimony of the Federal Loan Administrator, Mr. Jesse Jones, as presented in the hearings.

On page 35 Mr. GIFFORD asked the following question:

> Somebody is trying to take advantage of it by using Finland's situation to get $100,000,000?
>
> Mr. JONES. There is no reason for Finland to be mentioned in this bill at all. This is the same bill which came up here last year.

Again, on page 36, in answer to a question by Miss SUMNER of Illinois, Mr. Jones said:

> I think if you do not want to pass this bill for general purposes it should not be passed.

Again, on page 45, Mr. JOHNSON asked:

> Do you consider this a bill to assist Finland?
>
> Mr. JONES. Not necessarily; no.

Again, on page 71, I said to Mr. Jones:

> There is no guaranty in this bill that any money goes to Finland, is there?

Mr. Jones answered:

> That is correct.

So let us forget the Finnish situation for a moment and consider this bill on its merits alone. I want to address myself particularly to my Republican colleagues.

Do you realize that if you vote for this bill you are adding $100,000,000 to the actual debt of the United States on the excuse that possibly, and at the most, $20,000,000 of it will go to Finland?

On page 71 of the hearings I said to Mr. Jones:

> This loan therefore is going to increase the public debt.

Mr. Jones replied:

> Indirectly; yes.

For where is this $100,000,000 coming from? It cannot be manufactured from thin air. As Mr. Jones testified, this money will come from a loan to the Export-Import Bank by the Reconstruction Finance Corporation.

Now, where does the Reconstruction Finance Corporation get the money? Mr. Jones testified that this would come from the people of the United States through the Reconstruction Finance Corporation's selling bonds guaranteed, principal and interest, by the Federal Government.

Those of you who are going to support this bill are supporting the dodging of the Federal debt limit by allowing the sale of more Government-guaranteed bonds. As far as I am concerned, I do not believe in fooling the American people any further in this manner and will vote for no more guaranteed bonds under any circumstances.

Are we Republicans going to give the New Deal these additional funds with a possible pittance for Finland as a bait?

There is another important policy to be considered in this bill. The first Export-Import Bank was organized to finance business with Russia; the second to finance business with Cuba; and after these banks were merged into one the bank was used to help finance loans to American importers and shippers, largely to South America.

Many of these commitments were made for financing railroad equipment, and on much of the business no actual money was advanced at all, but the bank would guarantee a portion of the loan made by an exporter or a private banker in exchange for receiving a portion of the interest; thus, though the potential contingent liabilities of the bank were large at times, but a small amount of their capital funds were actually being used.

But today the bank seems to be entering on a new policy—that of lending our people's money to foreign governments themselves—for Mr. Jones testified that besides a small loan which may possibly be made to Finland, they were also committed to a loan to Norway, to Sweden; that Denmark had made application and that they were considering another $25,000,000 loan to China besides the $20,000,000 already loaned. If we are to enter into this policy, we should do it with our eyes open.

In the twenties our people financed, through the purchase of foreign bonds, exports from our country to foreign countries. Today a large portion of these bonds are in default—most of the central European bonds and 77 percent of the South American bonds—so that these South American and European nations not only got our money but our goods, too; and we have been criticizing the investment bankers for having advanced this money ever since.

Now we are entering upon the policy of having our Government, through the Export-Import Bank, do the same thing. Will there not be the same result? Only this time the Government itself being the creditor, will this not bring us even deeper into foreign troubles and squabbles?

There will be the same talk of Uncle Shylock. Nobody loves the man who lends him money after the money he lends has been all spent and he is asking for repayment. It seems to me that these New Deal creations go on and on and are always looking for more ways to spend the taxpayers' money, for if one source of spending dries up they seem always able to find another excuse to spend somewhere else.

If these loans to foreign governments are good, why is it necessary for a Government subsidiary to make them? We all know that there is a plethora of money in the banks; that excess reserves are the greatest in history; that every banker is anxious to find a safe place to use his bank's money if he can make the slightest return.

Today the banks are putting their money into 4- and 5-year Government bonds which yield less than 1 percent; and yet Mr. Jones testifies that they will not make these loans to foreign governments for the same term of years at 5 percent.

Is this merely a reflection of the current loss of confidence caused by New Deal policies and the tendency to "pass the buck" to the Federal Government to take over all the business of this country, or is it just that these loans are not safe? If this is the case, why should the Government take risks that the banks will not? Is the money of bank stockholders and depositors any more sacred than the taxpayers' money? We are trustees of the people's money and it is up to us to protect their interest.

This bill should be defeated. [Applause.]

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

Mr. KEAN. Yes; I yield.

Mr. CRAWFORD. I understood the distinguished chairman of our committee a while ago to say that every loan to be made under this bill, if it is enacted in its present form, cannot exceed $20,000,000. Mind you, I say "every loan." Does the gentleman understand that to be the fact in this case?

Mr. KEAN. I understand that no loans can exceed $20,000,000, or any new loans.

Mr. CRAWFORD. That is the point I am raising.

Mr. KEAN. That is, of the loans that have already been made; for instance, China has already been loaned, I believe, $25,000,000, and they can lend them $20,000,000 under this bill, which would make a total of $45,000,000.

Mr. CRAWFORD. The language of the bill is:

> *Provided further*, That the aggregate amount of loans to any one foreign country and the agencies and nationals thereof, which are hereafter authorized to be made and are outstanding at any one time, shall not exceed $20,000,000.

Wherein does that limit the loans that can be made to our nationals by the Export-Import Bank out of these funds or any other funds to $20,000,000?

Mr. KEAN. It does not limit it at all.

Mr. CRAWFORD. That is the point I want to clear up.

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

Mr. KEAN. I yield.

Mr. O'CONNOR. The gentleman has stated, I believe, that the South American countries are in default on their bonded indebtedness to the extent of about 75 percent.

Mr. KEAN. Seventy-seven percent.

Mr. O'CONNOR. I have reliable information to the effect that the South American nations, with perhaps one exception, are already in default to the citizens of this country—not the Government, you understand—to the extent of $3,000,000,000.

Mr. KEAN. The actual amount outstanding today is $1,200,000,000. The total South American bonds outstanding, as I understand it, is $1,600,000,000, and the South American countries are in default $1,200,000,000. I believe the gentleman from Montana probably is thinking of the entire amount that was sold in this country. The South American governments have repatriated their bonds and instead of using the money to pay interest on the bonds, which they should have done under the terms of the bond, they have been taking this money and buying in their own bonds at 10 or 11 or 12 or 13 percent of par.

[Here the gavel fell.]

Mr. GIFFORD. Mr. Chairman, I yield the gentleman 1 minute more.

Mr. O'CONNOR. The authority I was quoting is Senator ADAMS, who made a statement on this matter on February 13, as found in the CONGRESSIONAL RECORD at page 1393, as follows:

> The South American nations, I think, with perhaps a single exception, are in default upon bonds and obligations due to citizens of the United States aggregating some $3,000,000,000.

Mr. KEAN. I hope the gentleman from Montana will support my amendment not to let the Export-Import Bank lend any money to any country that is in default to any citizen of this country. [Applause.]

Mr. O'CONNOR. I will say to the gentleman that I shall think it over.

Mr. WILLIAMS of Missouri. Mr. Chairman, I yield 20 minutes to the gentleman from Tennessee [Mr. GORE].

Mr. GORE. Mr. Chairman, unfortunate though it may be, this bill, as has been said, is regarded by the press and has

been accepted by the country, I fear, as a Finnish loan bill. Accurately it has been said that Finland is not mentioned in the bill. Neither is any other country mentioned.

The distinguished gentleman and my colleague on the committee who preceded me, the gentleman from New Jersey [Mr. KEAN], agrees with that statement, and invites us to forget the Finnish loan angle and discuss the bill upon its merits. That challenge I accept. Prefacing that, I wish to say that Mr. Jones said that he would not consider the passage of this bill a mandate to make a loan to Finland. No commitment, he said, has been made to Finland other than that already made, quite apart from the consideration of the bill in question. Mr. Hackworth, representing the State Department, made two statements which I repeat to you. He said that a loan to Finland under existing circumstances by the provisions of this bill would not be a violation of international law. He said also that it would not be in violation of our Neutrality Act. With that, Mr. Chairman, I leave to the older and more learned of my colleagues in the field of international law, the discussion of the Finnish angle, and proceed to the challenge which I accept of my distinguished colleague from New Jersey.

The opposition of the minority Members appears to be to the entire provisions of this bill, with the exception of some proposed mandate to make a loan to Finland. The Export-Import Bank was organized in 1934 by Executive order, and, by subsequent legislative acts, it has been continued as an agency of the United States Government. Its capital stock is owned by the Government, and by the R. F. C. Of its $46,000,000 of capital stock, one million of common stock is owned by the Government and held in the name of the Secretary of State and the Secretary of Commerce in their respective official capacities. Forty-five million dollars of preferred stock is owned by the R. F. C. The Corporation is doing an international banking business, having as its purpose the aiding and facilitation of exports of American products. The gentleman from New York [Mr. FISH] made the statement that we had appropriated $100,000,000. We have never appropriated anything to the Export-Import Bank, to my knowledge, other than for its administrative expenses. The net earnings of the bank over its life have been something over $5,000,000. Its net earnings was $2,344,776 in 1939. It has had no losses. It cannot be said, however, that no losses will occur. In all probability losses will occur, but it can be said now in high commendation that no loss has been sustained by the bank. I believe the nearest approach to a loss was in a loan to Spain, and in referring to this particular loan as a "loan to Spain," I commit the error ordinarily committed by us all when we refer to a loan to some corporation or person within a country as a loan to that country.

In this particular case Smith & Co., of Mayfield, Ky., sold to a purchaser in Spain $672,871.78 worth of tobacco. Such terms and such characteristics of the loan prevailed that the company could not finance the whole account. That company applied to the Export-Import Bank. The Export-Import Bank made the loan. All of the loan has been repaid except $46,530.46. Some say that the remainder will not be repaid. That may be true. The Export-Import Bank has to its credit on deposit that amount of Spanish currency. Of course, time will not permit a discussion of the economic and internal repercussions in Spain due to the civil war, but suffice it to say here that the present prospects are good for an eventual honoring and recognition and redemption of this currency by the present Spanish regime. Nevertheless, even though there are prospects now of a redemption of this currency, the Export-Import Bank has set up in its reserves a sufficient amount of money to offset and write off this $46,530.46 which has not yet been collected. Mind you, this $46,530.46 is not shown in the net earnings which I have recited to you as being over $5,000,000.

Conceivably, I could be of some service to the membership by taking an example.

Mr. WHITE of Idaho. Mr. Chairman, will the gentleman yield?

Mr. GORE. Yes.

Mr. WHITE of Idaho. The gentleman states that we have made Federal appropriations for administrative expenses of this bank. He states next that they made a profit of one million or two million dollars. Has any step been taken to repay advances made by the Federal Government in the way of appropriations for Federal administrative expenses, or are we to contribute that much to the profit of the bank?

Mr. GORE. I am glad the gentleman has asked that question. I beg to correct him in that I did not use the word "profit"; I used the words "net earnings." The bank is an agency of the Government itself. It is limited in time to 1941.

Mr. WHITE of Idaho. Are these profits covered back into the Treasury?

Mr. GORE. I decline to yield further until I have finished answering the gentleman's question. Whenever the agency is liquidated, whatever profit exists goes to its principal. Furthermore, the earnings on the preferred stock, $45,000,000 of the $46,000,000 of which is held by the Reconstruction Finance Corporation, go to the Reconstruction Finance Corporation, which is another agency of the Federal Government.

In this example which I will take, I will not only take a typical example but I will take an actual example. In this case the Sorocobana Railroad, of Brazil, asked for bids for railroad equipment. The American Locomotive Sales Corporation, of New York, was the successful bidder. The terms of the loan were such that the American Locomotive Sales Corporation, of New York, did not feel itself justified in carrying the account. In fact, they said they were not financially able. The Sorocobana Railroad wanted an amortization schedule over a 4-year period. They applied, before they made their bid, to the Export-Import Bank. The Export-Import Bank made its investigations and tentatively made a commitment. The American corporation, the American manufacturer and exporter, upon that tentative commitment, made a bid. As I formerly said, he was the successful bidder. The contract was drawn. The notes were signed by the Sorocobana Railroad in favor of the American Locomotive Sales Corporation.

The CHAIRMAN. The time of the gentleman from Tennessee [Mr. GORE] has expired.

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

Mr. GORE. Those notes were endorsed by the Bank of Brazil. They were then transmitted to the American Locomotive Sales Corporation. The American Locomotive Sales Corporation then sold the notes to the Export-Import Bank, with the American exporter participating to the extent of 35 percent—meaning by "participating" that the American Locomotive Sales Corporation assumed and carried 35 percent of the loan or account, itself; but being unable to finance the entire account, the Export-Import Bank purchased 65 percent of the paper. Payments on that account have been current. There has been no default. In fact, there is no defaulted loan in the entire operation of the bank.

I ask you, Mr. Chairman, why is that not sound business?

Some attention should be given to the argument that because the Government of Brazil, or the government of some other country, is in default with some of its bonds, that the security of the Bank of Brazil is no better endorsement than the Government itself. Logical though this may appear in theory, nevertheless it is fallacious in that a government can default and continue to be a nation, continue to be a people; but a bank can only default by closing its doors. In fact, only one loan has been made directly to a government. That was not directly, but enough so to say that it was a direct loan to a government. All the other loans have been to nationals or corporations or business institutions within the countries. They have had security or the endorsement of a bank within that country. Not only a bank within that country, but a responsible bank within that country.

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

Mr. GORE. I yield.

Mr. POAGE. It seems to me I am getting a little confused here. Does the gentleman mean that the loans are made to an individual or a bank in the foreign nation? Are not the loans made to an American national or an American corporation that is selling the goods in the foreign nation and accepting foreign credits, which are then purchased by the Export-Import Bank?

Mr. GORE. I would be glad for the gentleman to apply his own interpretation to these facts. The paper is generally bought from the American exporters.

Mr. POAGE. That is right, but the American Export-Import Bank never makes a direct transaction with a foreign agency?

Mr. GORE. If the gentleman means that the money leaves America, it never does; and the bank does not make a direct contract with the foreign purchaser. The bank deals through the American exporter and buys paper from the American exporter which has been executed by foreign purchasers, with the proper endorsement.

Mr. POAGE. Do we also require endorsement of that paper from the American exporter?

Mr. GORE. I will be glad to answer that. In some cases they do; in some cases they do not. Further, in some cases we retain a vendor's lien upon the property sold. One of the most beneficial things that the bank has engaged in is a line of credit to small exporters.

I hold in my hand, which you can see, two sheets of small corporations which have been given a line of credit, with only one exception, of from $2,000 to $10,000. The line of credit is revolving, in that these companies can continue to use that line of credit so long as it has outstanding at no time more than its line of credit. For instance, the Anglo-American Trading Corporation has been given a line of credit of $10,000. The bank has disbursed to that corporation over its operation $62,000. All of that has been repaid except $1,160. It is still operating. The line of credit is still in effect. Why is that not beneficial to that small company and to the country as well?

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

Mr. CRAWFORD. Mr. Chairman, I yield 10 minutes to the gentleman from Illinois [Mr. CHIPERFIELD].

Mr. CHIPERFIELD. Mr. Chairman, we are faced with a very difficult problem today. There is an overwhelming desire in this country to aid Finland in her gallant fight to save her homeland, but there is just as strong a feeling that we must take no steps that would involve us in foreign entanglements or violate our neutrality. The question is, How can we help Finland and at the same time maintain our strict neutrality?

In my opinion, the pending bill, because it does not include implements of war, would in no way violate our neutrality, but I am wondering if it will accomplish its purpose in bringing the necessary aid to Finland. This raises the question whether or not we can make a direct loan to Finland without any conditions attached as to its use. I addressed this question to the Honorable Cordell Hull, Secretary of State, and received the following reply:

FEBRUARY 23, 1940.

DEAR MR. CHIPERFIELD: I am in receipt of your letter of February 16 inquiring whether, if the Congress should, under existing conditions, appropriate a sum of money for Finland without any condition attached as to its use, such a loan would violate our Neutrality Act, the Constitution, any domestic law, treaty, or obligation of the United States under the law of nations.

The Neutrality Act would not become operative as to Finland unless, as stated in section 1 thereof, the President should issue a proclamation after he "or the Congress, by concurrent resolution, should find that there exists a state of war * * * and that it is necessary to promote the security or preserve the peace of the United States or to protect the lives of citizens of the United States." No such proclamation has been issued by the President.

While section 7 of the act prohibiting the making of loans or the extension of credits to belligerent governments is not by its terms applicable to this Government, there is authority for the proposition that the making of loans for general purposes by a neutral government to a belligerent government is contrary to the principles of neutrality.

The Convention on Maritime Neutrality between the United States and other American republics concluded at Habana in 1928 states, in article 16, that a neutral is forbidden to grant loans or to open credits for a belligerent during the progress of war, but that "credits that a neutral state may give to facilitate the sale or exportation of its food products and raw materials are not included in this prohibiion."

The suggestion contained in the President's letters of January 16, 1940, to the President of the Senate and the Speaker of the House of Representatives was that Congress might authorize an increase in the revolving credit fund of the Export-Import Bank and authorize the "Reconstruction Finance Corporation to purchase loans and securities from the Export-Import Bank to enable it to finance exportation of agricultural surpluses and manufactured products, not including implements of war." It will be noted that the President's suggestion was confined to exportation of agricultural surpluses and manufactured products and specifically excluded "implements of war." He also stated that, if the applications for loans were acted upon favorably by the Congress, the matter would be kept "within the realm of our neutrality laws and our neutrality policies."

I know of no provision in our Constitution prohibiting Congress from making an appropriation of the character referred to, nor do I know of any statutory provision that would be contravened, but even if there were some inconsistent provision in existing law, it would, in my opinion, be superseded by our present act making an appropriation for the purpose mentioned by you.

Such an appropriation for purposes stated by the President would not run counter to provisions in any treaty to which the United States is a party, nor would it, in my opinion, run counter to the law of nations.

Sincerely yours,

CORDELL HULL.

From this letter I reached the conclusion that if such a loan were made there would be no violation of our Neutrality Act because the President has not found there exists a state of war between Finland and Russia, and it is not necessary to do so to promote the security and peace of the United States, or to protect the lives of citizens of the United States.

However, there is no question, but it is a well-recognized principle of international law, that a neutral is forbidden to grant loans for general purposes, or open credits to a belligerent during the progress of war. Whether we would be violating this rule of international law in making a loan to Finland for general purposes would seem to depend on whether Finland and Russia are belligerents, as defined by international law. If we consider that Finland and Russia are belligerents under international law, then we cannot make a loan without restrictions as to its use. On the other hand, if they are not belligerents, we can make them a loan for general purposes without violating our neutrality.

Upon this question whether Finland and Russia are belligerents under existing circumstances I have consulted Dr. Carl L. W. Meyer, of the International Law Division of the Congressional Library, and he has reached the conclusion they are not belligerents. His letter is as follows:

Having reference to our conversation last Saturday in respect to the international relationship between the United States on the one hand and Finland and Russia on the other, I am in a position to state that the Government of the United States has not recognized thus far that war exists between Finland and Russia. Nor has any declaration of war been issued by Finland or Russia. Officially, therefore, the relationship between the United States and the said countries is quite different from what it would be if a state of belligerency had been recognized.

You are well aware, I am sure, that the existence of a state of war will call into operation the international law of neutrality; the right of visit and search on the part of the belligerents and the duty of neutrals to submit to it; and other rights and duties incidental to the international law of war.

I am enclosing a copy of a report recently prepared by me entitled "Loans or Contributions of Money by Neutrals to Belligerent Nations." As I indicated in the introductory note, the references contained in this report are applicable to belligerents and neutrals and have no direct bearing, at the present time, at least, on the relationship between the United States and Finland or Russia, since the Government of the United States, as stated above, has thus far not recognized that a state of belligerency exists. The said references merely refer to the rights and duties of neutrals in respect of loans to belligerents.

I am also enclosing a statement concerning opinions of authorities on international law on belligerency, for which you have asked me.

If his views are correct, then there would be no reason why this Congress, so far as international law is concerned, should

not make a direct loan to Finland without any conditions attached as to its use.

There seems to be a clear distinction between undeclared wars and recognized war so far as neutrals are concerned. Strange as it may seem, there can be an armed conflict and still not be a recognized war. If neither of the parties admit there is a legal state of war and neither exercises belligerent rights against neutrals, they need not necessarily be considered as belligerents. Just because there is an armed conflict going on between two nations, which everyone knows to exist, is no reason why our country should recognize a state of belligerency between those nations unless it is for our best interest to do so.

This distinction has been recognized by Dr. Thomas H. Healy, professor of international law and dean of the school of foreign service of Georgetown University, on pages 71 and 72 of the hearings before the Committee on Foreign Affairs. He said:

> You have before you proposals to include warfare or undeclared wars as distinguished from recognized wars. Such warfare is neither new nor illegal, and we ourselves have indulged in it. As far as neutrals are concerned, there is a vital difference between warfare and war. Unless at least one of the parties admits that there is a legal state of war, neither exercises belligerent rights against neutrals.

I might say that the hearings have been available only today, but Mr. R. Walton Moore, Counselor for the State Department, in his testimony before the committee made the same definition. His statement will be found on page 57 of the hearings.

Continuing Dr. Healy's statement, he said further:

> As the Far Eastern conflict has precipitated this discussion, we should remember that not a single nation on the face of the globe (not even including China itself) considers that conflict as war, nor has either China or Japan attempted to exercise belligerent rights; that is, the right to stop, search, and seize neutral ships and cargoes on the high seas.

Mr. Green H. Hackworth, legal adviser to the Secretary of State, in his testimony before the Foreign Relations Committee, page 39, said in a reply to a question from Senator JOHNSON of California:

> I think, Senator, you have to take into account another situation which may or may not, in your judgment, be persuasive one way or the other; that is, that both Soviet Russia and Finland have said in unqualified terms that they are not at war. Soviet Russia said that to the League of Nations. Finland said it to the Government of the United States. Each has said that it is not making war on the other party.

Again, Senator JOHNSON of California asked this question:

> Do you think we fool anybody by saying that countries are not at war when actually they are shooting down one another all day long?
>
> Mr. HACKWORTH. Of course, you do not; you do not fool anybody by that, but you still have the question as to whether we are going gratuitously to say that they are at war and thereby circumscribe our rights—whether there is any particular reason for doing that.
>
> Senator JOHNSON of California. There is one reason for doing it, and a very good reason; that is, it is a fact.
>
> Mr. HACKWORTH. It raises still a further question, whether we have to recognize every fact, or whether we can pass over the fact, if it is to our interest not to recognize it, if we are under no obligation, no compulsion, to recognize it.

And again on page 41, in reply to this question from Senator BARKLEY:

> To what extent has this new form of war, this undeclared war, modified the rules of international law?
>
> Mr. HACKWORTH. I do not know that you could say that it has modified the rules of international law, because under international law a neutral is not obligated to recognize a state of belligerency between two other countries which expressly deny belligerency, unless his interests are such as to make it impelling that he should do so.

At no time has the United States recognized a state of belligerency between Finland and Russia. Therefore there seems to be no legal reason why a direct loan could not be given to Finland under present conditions without restrictions as to its use. While such a right apparently exists, the wisdom of adopting such a policy of granting loans to other nations, when there is an actual armed conflict existing but when a state of belligerency has not been recognized, to be used for the purchase of war materials in this country is an entirely different question. We do know, however, that Finland needs small arms, ammunition, shells, and airplanes, and, although she would be grateful to receive a loan to obtain raw material and food products, that is not her crying need at the moment.

We do know that on December 13, 1939, a $10,000,000 loan to Finland was approved, and yet after more than 2½ months she has not used all of this loan. We do know that we are attempting by this bill to appropriate $100,000,000 to loan Finland $20,000,000 for materials that would probably not help her win the war.

But let us remember this: While we may differ as to the best course to follow, we as private citizens can continue to make any gift or donation to Finland we desire until the President invokes the Neutrality Act, when section 7 of that act, prohibiting any person from making any loan or extending any credit to any government named in such proclamation, will be in full force and effect. I hope we will continue to make these gifts.

Mr. BROWN of Georgia. Mr. Chairman, I yield 10 minutes to the gentleman from Texas [Mr. LUTHER A. JOHNSON].

Mr. LUTHER A. JOHNSON. Mr. Chairman, I shall support the pending resolution. When all the facts relative to the resolution are thoroughly known and understood I cannot understand why anyone should oppose it. I have heard only two suggestions made by any who questioned the wisdom of the legislation. I heard someone say that it might be a step toward war and that being for peace he would, therefore, oppose the resolution. I heard another indicate that he might vote against the resolution because he felt that the distressed condition in this country and of agriculture in particular called for the expenditure of these funds at home rather than abroad, and for that reason, believing that charity should begin at home, we should not appropriate money to be spent abroad. I want to discuss these two questions briefly because there is a good and adequate answer to both, and when thoroughly understood neither objection is tenable.

As to the objection that this is a step toward war, I say that this fear is founded upon a misapprehension or misunderstanding of international law and of our own neutrality law and our own policy in dealing with other governments. As was just said by the gentleman from Illinois [Mr. CHIPERFIELD], who read a letter from Secretary Hull, this resolution as it is drafted violates neither our neutrality law nor our rights as a neutral under international law. We all understand, of course, that until our own neutrality law is invoked its provisions do not apply. Our neutrality law provides that when the President or the Congress finds that a state of war exists between foreign states and that it is necessary to promote the security of our own country or to protect the lives of our own citizens, then it is their duty to invoke it. Then, of course, all of its provisions are applicable and no loan, of course, could be made. Our neutrality law has not been invoked in the conflict between Russia and Finland and is therefore not applicable.

Under international law, however, which is always the law applicable to all countries, I may say that I have made some investigation with reference to this question, and the resolution as drafted does not contravene international law in the slightest particular, and does not violate our rights as a neutral, or subject our Government to the charge that we have acted unneutral under international law by the passage of this resolution.

The gentleman from Illinois [Mr. CHIPERFIELD] bases his proposition upon the ground that there being no declared state of war between Finland and Russia, neither is a belligerent under international law and, therefore, any loan could be made. I do not fall out with the gentleman about that, and I think that is eminently correct, but I go further. If anyone should take the position that that is farfetched, that it is a technicality, that while war has not been declared, yet an actual state of war exists between these countries, Russia and Finland, and both countries are belligerents, therefore,

a loan under international law should not be made to either—I say that under international law even though a state of war had been actually declared between these two countries and a legal state of war did exist, the resolution is so framed as not to contravene international law.

The resolution as reported by the committee clearly safeguards this contention, because it provides in express language that no loan shall be made in violation of international law as interpreted by the Department of State. So we need have no fears, and even the most timid and the most apprehensive should have no fears of our becoming involved in war. Such fears are groundless, because the resolution itself provides specifically that loans shall not be made which violate the rights of neutrals under international law as interpreted by our State Department. This ground of objection, therefore, goes out. I am opposed to war, and would take no step to involve us in war, and this resolution does not do so.

We come now to the other objection that this loan should not be made because of distressed conditions at home, because agriculture and industry are suffering, and that charity should begin at home. The complete answer to this objection, I say, is the fact that this will help agriculture, this will help industry, this will help our domestic business, for the expenditures are not to be made in foreign countries but in our own country for the buying of our own products.

The creation of the Export-Import Bank was primarily to dispose of the surpluses of agricultural products that may have a depressing effect upon the current prices of such products, and the Corporation is authorized and directed to make loans in such amounts as may in its judgment be necessary for the purpose of financing sales of such surpluses in the markets of foreign countries in which such sales cannot be financed in the normal course of commerce.

The Export-Import Bank, created in 1935, in existence now for 5 years, was designed primarily to encourage and facilitate exports and imports between our country and foreign countries. This resolution merely increases by $100,000,000 the amount that can be loaned by the Export-Import Bank, and provides that not more than $20,000,000 shall be loaned to any one country, in addition to loans heretofore made. Anyone who votes against this bill on the ground that he is fearful it might hurt our country is not casting an intelligent vote, because it will help us, every dollar of all these loans will be spent in this country and it will facilitate the sale and export of the products of our own country, and that is what we need at the present time more than any other one thing. There is no reason why anyone should oppose this resolution.

Mr. Chairman, some have said that the resolution should be specifically designed so that it will direct that a loan shall be made to Finland. Why do you raise that question? If under the resolution an authorization is made whereby Finland may secure a loan and if, as testified in the hearings, it is contemplated a loan will be made if a proper showing is presented, why is it necessary to specifically designate Finland or any other country? The best policy to pursue, as we have done heretofore, is to designate no country, but leave to the Export-Import Bank the making of all such loans.

The gentleman from New York [Mr. FISH] argued the question on the ground we were delegating power. If these loans are to be made we have to delegate to some agency the question of the terms, conditions, and provisions under which the loan can be made. We can more safely trust than any other agency, the Export-Import Bank, headed by Mr. Jesse Jones, who, in my judgment, is one of the most astute and able businessmen in this country, a great administrator, and who has made a success of every task he has ever undertaken. The Export-Import Bank has demonstrated its efficiency so ably, and it is so well managed by Mr. Jones, that I think it is farfetched to say that you are against the bill, because Finland is not specifically mentioned. We can trust Mr. Jones and the Export-Import Bank to deal fairly and justly with Finland, with which we are in sympathy, and want to help.

Mr. SOUTH. Will the gentleman yield?

Mr. LUTHER A. JOHNSON. I yield to the gentleman from Texas.

Mr. SOUTH. Is it not a fact there is no legislation involved here? The Export-Import Bank has already been set up; it is already functioning, and Mr. Jones testified it has shown some profit up to date. So this is not a matter of legislation.

Mr. LUTHER A. JOHNSON. The gentleman is right. There is no legislation involved here. It is simply a question of an increase in the amount of loans that may be made by one of our agencies that has been very well managed heretofore. We put this matter into the hands of an agency that is now in existence and now in operation, and I think the pending resolution should command the support of everyone, regardless of whether you are an isolationist or an internationalist, and regardless of whether you sympathize with one faction or the other. If you are a good American and want to help our business, while at the same time not violate any provisions of the law, you will support this resolution. I cannot find any just ground upon which anyone should oppose it. [Applause.]

[Here the gavel fell.]

Mr. GIFFORD. Mr. Chairman, I yield 10 minutes to the gentleman from Pennsylvania [Mr. ALLEN].

Mr. ALLEN of Pennsylvania. Mr. Chairman, I am one of those who, until an hour ago, thought that a portion of the funds which we are considering this afternoon would be lent to the Government of Finland. When I express my own disappointment over the revelations which have been made here I believe I speak the feelings of a vast segment of the American people who, through the press and the pronouncements of public officials, have been led to believe that the bill now under consideration would eventuate in a loan to the Finnish Government.

Mr. Chairman, as the Representatives of a nation that owes its very existence to the timely aid rendered by France 160 years ago, we are conducting ourselves in an untenable manner. Had it not been for French military and economic aid in 1776, there is grave question whether we would be assembled here today as the Representatives of a free people.

Had it not been for France our independence would have been lost altogether or long delayed. If Louis XVI, Beaumarchais, and Vergennes had placed their principles and sentiments on a cake of ice, as the gentleman from Michigan [Mr. MICHENER] recommended that we do in the matter now before us, earlier this afternoon, there would have been no Yorktown, and very probably no Constitution and no free democracy in this hemisphere. We needed the 35,000,000 livres which the French Government loaned to us at that time with no strings tied to them. Back in 1776 we needed the 10,000,000 livres which came to us from France as an outright gift. We needed the clothing which France gave us for for 20,000 ragged Continentals. The brass cannon and the guns, as well as 90 percent of all the gunpowder which was used in our Revolutionary War, came from France as either a gift or in return for credits which had been established on the other side. A fleet of 40 French vessels, if you please, came to our assistance when we were hard pressed and 47,000 French soldiers and sailors aided Washington in his struggle for independence. If it had not been for this aid there probably would be no United States today, and had it not been for the help rendered us by France under circumstances which are very similar to those which obtain on the Karelian Isthmus our Continental Army would have been defeated and the cause of liberty retarded indefinitely.

As I sat here during the course of this debate while the subject of a loan to Finland has been discussed, I gazed toward that picture of Lafayette on the left of the Speaker, and realized that that portrait hangs in its place because of our respect for that man and what he stood for. We honor him and exalt him for the aid he gave us when we as 13 struggling colonies were in need. We have rendered to him a distinction accorded to no other man except the father of our country, Washington. Even Lincoln's picture does not appear on the walls of this Chamber. Why do we honor Lafayette in this manner? Because he dared do the very

things which we are flunking on this afternoon if we do not set aside a sum of money for the free and unrestricted aid of the little Finnish republic. [Applause.]

I do not feel that we are worthy of a great heritage if we equivocate and delay in this matter any longer.

We have the right as Representatives of 130,000,000 American people, and the American people themselves are entitled to a clear-cut debate on whether we are going to lend money to Finland. We have delayed long enough. I for one am going to support the amendment which will be offered by the gentleman from New York [Mr. FISH], and later an amendment which will be introduced by the gentleman from New Jersey [Mr. EATON] to give to Finland an unrestricted loan with which they can purchase the necessary military equipment to defend themselves. [Applause.]

Mr. Chairman, this is not merely a Finnish-Russian war which is raging in Europe. There are deep principles involved which affect the whole world. This is a conflict between the principles of freedom, liberty, democracy, and Christianity on the one hand, and dictatorship, ruthless aggression, and atheism on the other.

Those things which we hold dear, the principles on which this Nation has been founded, those institutions which Washington and his ragged little army fought for, bled for, and died for will suffer if Russia is victorious over Finland.

I have heard it said that the Finnish affair is none of our business. It has been prophesied that a loan to Finland may involve us eventually in the conflict now raging on the Karelian Isthmus. I wonder when I hear such idiocies uttered what kind of a world we will live in tomorrow, what kind of a world our children will live in, if Russia conquers Finland and then marches onward, conquering other little republics as she is bound to do on the Scandinavian Peninsula. If the torch of liberty is snuffed out in any free nation it is bound to burn dimmer right here at home. Liberty and freedom cannot be murdered in any part of the world without those principles suffering a severe set-back here in America. Those institutions on which this Nation is founded cannot be shattered in other nations of the world without our suffering here in America indirectly because of their destruction.

What will be the effect on our institutions if Russia conquers Finland, as she will do if aid is not forthcoming? In the first place, it will certainly encourage those subversive groups here at home which have caused us so much trouble in recent years. Certainly they will receive encouragement from abroad, and their attempts to undermine our free institutions and this democratic form of government will be more open and bolder than they have been in the past.

Some day, if this Red scourge continues to ride roughshod over Europe, we will be faced with the issue. If Russia and Germany conquer the democracies, you know what the results will be here in America. We will spend untold millions strengthening our own defenses. Where we are now asked to loan only the price of one battleship, we will be forced to spend millions and millions for a whole new fleet with which to defend these shores. A larger Navy, an enlarged Air Force, and an increased Army are bound to result here in America if Russia and Nazi Germany win their respective wars in Europe today.

There is no difference between domestic and international gangsterism. When gangsterism rears its ugly head in any community in the United States, we law-abiding citizens immediately seek to defend ourselves by increasing our police force, and other agencies of law and order. And so it is when gangsters of the Hitler-Stalin type crush the liberties and freedom of human beings beneath their feet that the peaceful countries of the world in self-protection increase their defenses in proportion to the force of the exterior threat. American citizens who feel no responsibility for the plight of Finland today will feel otherwise if Russia is victorious and when they are forced to pay the tax bill for steadily increasing defensive armaments.

An unrestricted loan to Finland at this time for military supplies and other purposes will be no breach of international law. International law is not violated because Russia herself has insisted that a state of war does not exist. That, of course, is a technicality, but Russia having proclaimed to the League of Nations that she is not waging war on Finland could not accuse us of violating the precepts of international law if we gave Finland an outright loan.

Under the provisions of the legislation which we are now debating, if any loan is made to Finland it will be for civil commodities only. If other nations restricted their loans to Finland with these limitations, the little Republic would have been gobbled up before this. We in America applaud Sweden for aiding Finland with military supplies, yet we shrink from doing the very thing which we so vocally commend in others. If we are justified in loaning Finland money for civilian commodities, we are equally justified under the same principle in selling her military supplies.

I shall support those amendments to this bill which will guarantee a forthright loan to Finland, unrestricted and unencumbered, so that it may be used for those purposes which in the judgment of her leaders Finland feels are most necessary. When I support those amendments I shall be motivated by the same reasoning which brought Lafayette, Von Steuben, Kosciusko, and Pulaski to the defense of this Nation when it was struggling for its independence and for the freedom of its people. In my carefully considered judgment a loan to Finland at this time will go far toward perpetuating those fundamental principles in which we profess to believe so strongly. If Finland can hold fast on the Karelian Isthmus, democratic institutions, the sanctity of the church, and the dignity of mankind in all corners of the earth will be more secure.

Mr. Chairman, I sincerely hope that the Fish and Eaton amendments to this bill will be adopted. [Applause.]

[Here the gavel fell.]

Mr. WILLIAMS of Missouri. Mr. Chairman, I yield 10 minutes to the gentleman from New York [Mr. BARRY].

Mr. BARRY. Mr. Chairman, with all due respect to my friend and colleague from Pennsylvania, I cannot get very excited when he brings in the distinguished Marquis de Lafayette and reminds us so emotionally of what transpired back in the days when this country was founded. If my memory serves me right, the French were engaged in a little unpleasantness with their own traditional enemy, and while they were an ally of ours, at the same time we served a rather useful purpose as an ally of theirs. If we were indebted to them, I feel that we more than balanced the budget of the equities back in 1918 and thereabouts.

This theory that if Russia conquers little Finland that then the great communistic wolf is going to spread all over Scandinavia and all over the world has a certain appeal, but I cannot help but remember that for 700 years little Finland was a part of Sweden until, back about 1809, brave little Finland became a grand duchy of the Czar. From my humble democratic outlook I cannot see any great difference between the government of the czars and its imperialism and the Communist Government and its imperialism and its dictatorship. Unquestionably the Czar had more tolerance with his subjects in a religious sense, but I believe he gave them less bread than even Stalin does. There is little to choose between them. During the 100 years from 1809 to 1917, when Finland was part of Russia, we were in no danger, and the situation was not greatly different. While I am rooting with all my heart for Finland, I am rooting still more for the peace and security of this country. I do not believe the impact will be so great that we will suffer disaster as a result of the conquest of Finland.

I want it clearly understood that if I vote for this bill I am not doing so because I believe we are under any obligation to lend any money to Finland.

It seems to me, as a matter of common sense, if someone lends me money when I need it and I use that money for a good purpose and I pay it back, I should be grateful to the lender rather than the lender owing some obligation to me. [Applause.] It has always been that way, and the only difference in respect to Finland is that our former Allies and

other countries welshed on their payments and made no attempt to meet them; thereby, because Finland fulfilled its obligations, it achieves a unique position and hence some people think that we should start cheering for Finland and make our frontier out on the Karelian Isthmus.

If we vote for this bill on the basis stated by the gentleman from Pennsylvania [Mr. ALLEN], then by all the rules of reason, if Hitler decides to invade Switzerland or Belgium or Holland—grand little republics that have done more to build up this great Nation than little Finland—then by all the rules we should step in and make loans to those countries. There is no real difference except that Belgium is affected by the Johnson Act, because it still owes us money. However, that act does not apply to either Switzerland or Holland. Then we get the camel's nose under the tent, and then will inevitably come the repeal of the Johnson Act itself.

Mr. ALLEN of Pennsylvania. Mr. Chairman, will the gentleman yield?

Mr. BARRY. I yield to the gentleman from Pennsylvania.

Mr. ALLEN of Pennsylvania. The gentleman does not stop to consider that if the Russians are stopped at Finland's borders, these aggressors will not dare commit other acts of conquest.

Mr. BARRY. I have no authentic information about that possibility, and, by the way, the Government of Sweden is not saying that the Russians want to go beyond Finland.

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

Mr. BARRY. I yield.

Mr. SOUTH. The gentleman understands that under this very act these loans will only be made after they have been closely scrutinized by the best financial minds in America and after they have been passed upon as being sound loans, and would the gentleman object to such a loan being made to Holland or Belgium if they were invaded later on?

Mr. BARRY. Not on that basis, and in this connection I want to quote Mr. Jones.

Miss SUMNER of Illinois rose.

Mr. BARRY. I yield to the gentlewoman from Illinois.

Miss SUMNER of Illinois. I was just going to remind the gentleman from New York that when we fight communism we do not just fight Russia or some other nation. We are fighting a sort of leprous theory of government, and we can win a war and still lose by being overcome by communism in our own country.

Mr. BARRY. And I believe we should fight communism in this country, but when we go to fighting it up in Finland we might as well start in Mexico, because we should consider first the enemy nearest home.

Miss SUMNER of Illinois. I think the gentleman has spoken good sense and sound jurisprudence.

Mr. BARRY. I thank you.

I have great confidence in Jesse Jones, the Administrator of the R. F. C., and the man who is going to decide whether or not this is a sound loan; and if I do vote for this bill, I am going to vote for it on his testimony that this is simply an authorization to make loans to Finland up to $20,000,000; not a direction, but an authorization, leaving it to his judgment at the time, and Mr. Jones has said that he will not lend the money unless he thinks Finland can pay it back. That may be funny to the gentleman here [referring to Mr. SCHAFER of Wisconsin, who laughed], for I differed with Mr. Jones on the Chinese loan about a year ago, but now I am convinced Mr. Jones was very sound in making that loan, and I am willing to leave it to his discretion and take his word if he thinks Finland is going to be able to pay, viewing it purely on a commercial basis. You cannot help them on these things in any other way. You cannot engage in an emotional campaign like my friend the gentleman from Pennsylvania [Mr. ALLEN]. You have got to regard this thing on a commercial basis and not on a purely sentimental basis. I am inclined at this time, the way the bill is now drawn, to go along with it on the assurance of Mr. Jones.

In conclusion I want to say that I believe the Export-Import Bank is one of the best vehicles we have ever created in this Congress to promote our foreign trade, whether it be with Latin America or with Scandinavia, and the balance of trade is well in our favor with the Scandinavian countries; and it will be purely on that basis that I expect to go along with this bill.

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

Mr. BARRY. I yield.

Mr. HINSHAW. I have been trying to find out what restrictions the chairman of the Rules Committee was referring to in connection with private banks in making these long-term loans to foreign individuals, nationals, corporations, or governments. He said, as I remember it, that the private banks were not able or did not make such lons. Does the gentleman know the restrictions that may be placed on private banks that would prevent them from making such loans?

Mr. BARRY. I did not hear his statement and I do not know of any restrictions, but I assume that private banks would not make this type of loan as a purely commercial proposition, and the only way I can distinguish it to my satisfaction is that when we make loans to a country, we are doing it for the general welfare and not on a particular item for immediate profit, but rather to build up our balance of trade with Scandinavia or Latin America, for instance. I do not know whether I have answered the gentleman's question or not.

Mr. HINSHAW. I was just asking about the specific restrictions on private banks.

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

Mr. BARRY. I yield.

Mr. SPENCE. I think Mr. Jones said that in the sales of heavy capital goods to those countries, they wanted credits over 6 or 7 years and the ordinary banker would not take care of them for that reason.

Mr. HINSHAW. You say he would not or could not?

Mr. BARRY. Well, he would not, anyhow.

[Here the gavel fell.]

Mr. WILLIAMS of Missouri. Mr. Chairman, I yield the gentleman 1 minute more.

Mr. BARRY. Mr. Chairman, instead of getting into a state of hysteria about ideological conflicts, I think this Export-Import Bank can be made to function so that we can compete with our commercial rivals, such as Great Britain, Germany, Japan, and others, so that we can build up our trade in this hemisphere and not be trying to extend our boundary lines to the Scandinavian Isthmus. [Applause.]

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. CRAWFORD. Mr. Chairman, I yield 10 minutes to the gentleman from Minnesota [Mr. KNUTSON].

Mr. KNUTSON. Mr. Chairman, in helping Finland we are giving assistance to a nation which unwaveringly stands for democracy and western civilization. Finland's union with Sweden during 700 years, up to 1808, accounts for the fact that the social and political structures in Finland have developed along the same lines as in the other northern countries, although Finland during all that time retained her own character and was thoroughly Finnish. Already at that time Finland's boundaries toward the east, toward Russia, were, on the whole, drawn up more than 300 years ago. During the time Finland was in union with Russia, from 1808 till 1917, as an autonomous grand duchy, the frontier between her and Russia proper was clearly defined and fixed.

When Finland became independent in 1917 she took no territory that was not Finnish. There are no minorities—particularly no Russian minorities—in Finland.

Three times has Soviet Russia solemnly pledged herself to respect Finland's independence and her frontiers. The first time was in 1917, when the Soviet Russian Government recognized Finland's independence. Next was through the Peace Treaty of Tarttu in 1920 and the third time in 1932, when there was entered into between Finland and Russia a nonaggression treaty, which in 1934 was renewed for 10 years.

Russia has violated all pledges then made, although Finland's policy toward her great neighbor to the east has ever been to maintain good and peaceful relations. Finland never joined any bloc of the big European powers. She was always

most anxious to maintain, like the other Scandinavian states, a policy of strict neutrality, and never once did she in any way threaten Russia or any other state.

Despite this, Russia has launched against Finland a most ruthless, brutal, and unprovoked aggression. She has taken her part of Poland and has secured control over the Baltic states of Lithuania, Latvia, and Estonia, from where she now launches her air-raid attacks against the defenseless civilian population of Finland.

Russia, early in the autumn, proposed to Finland a number of most wanton and impossible demands. She demanded, among other things, that Finland cede to her the city of Hanko, in the southwesternmost part of the country, for a naval and military base; that Finland give up a part of her territory on the Karelian Isthmus; and that she destroy her main defense line there, the Mannerheim line; furthermore, that she cede a number of islands in the eastern part of the Gulf of Finland and also a part of her possessions in Petsamo, on the Arctic Sea. There is not the slightest reason nor justification for these Russian demands. It is pure imperialism and the application of the rule of force as against right. To give Russia the port of Hanko, or what she demanded on the Karelian Isthmus, would have been to open the gateway for Russian penetration into Finland and to sacrifice the country's integrity, independence, and neutrality. However, Finland was and is willing to meet the Russian demands as far as is possible. Last fall Finland was disposed to cede to Russia some of the islands in the Gulf of Finland, outside of Leningrad, although those islands have since time immemorial belonged to Finland and have a purely Finnish population. She was further willing to remove somewhat the frontier on the Karelian Isthmus without, however, destroying or endangering Finland's natural line of defense.

Russia bluntly rejected the Finnish concessions. She launched against Finland a campaign of blackmail, lies, and vituperation, pretending that Finnish artillery had fired over the Russian border, although the Finns, in order to avoid all untoward incidents, had withdrawn their artillery so that the Russian border was out of its firing range.

On the 30th of November Russia, without a declaration of war, attacked Finland, directing these attacks not only against the Finnish troops and defense lines, but also against unfortified and open cities and places, where already in the first days hundreds of civilians, particularly women and children, were killed, the able-bodied men having been called to the colors.

Finland at once accepted the idea of mediation when the American Government, on the same day as hostilities broke out, offered its good offices to settle the dispute. Russia bluntly rejected the offer. Finland was also fully disposed to agree to the American Government's appeal that open and unfortified cities and places be not bombed. Russia turned down this appeal as pointless.

Russia's real intention toward Finland appeared in all its ruthlessness when 2 days after the attacks had begun, the Soviet Government set up a so-called Finnish Communist Government. As far as I am informed, not a single member of this government is a Finnish citizen, but all of them Communists, who have lived for many years in Soviet Russia. By setting up this puppet government Russia showed what she aims at: To introduce totalitarian Communist rule in Finland, to destroy Finland's democratic system of government and to incorporate the country into the Soviet Union.

Present hostilities in Finland are from the point of view of international law, of an extraordinary nature, most aptly to be compared with the Japanese attack upon China. It is not a war in the sense of international law. Russia has not declared war upon Finland, nor has Finland upon Russia. Furthermore, Russia pretends to be on the most friendly terms with the puppet government she set up and which resides somewhere on the frontier, or on Russian territory, but is without the slightest support in Finland. The hostilities in Finland do not fall under the stipulations of our neutrality legislation nor can the general rules of international law be applied to the present conflict. What goes on in Finland is an absolutely unprovoked and unwarranted aggression, and every third party has the right, without being dragged into the conflict, to take such financial and other peaceful measures as it may deem fit in order to assist the victim and to contribute to the maintenance of justice and order in the international world.

We have taken the same attitude in giving China our help through the credit granted her a few years ago. And, may I emphasize that in this respect there is no difference between a loan given a foreign government for military purposes and a credit granted to be used otherwise. Both are assistance and support given that government. It is maintaining an obsolete and unwarranted rule to pretend that neutrality implies absolute passivity. Even a neutral country must have the right, without resorting to war, to do its part to uphold morality and decency in international relations.

Finland has shown that she can resist the aggressor, and over and over again she has given proof of her firm decision to do so in the future. But it is evident that a nation of a little more than three and one-half million cannot in the long run successfully resist an aggressor that is 50 times more powerful in number and resources, and which has no lack of modern instruments of destruction, even though it does not get material help from abroad.

Finland has always been a peaceful nation. During the 20 years of her independence she has made wonderful progress in developing her economic life upon a sound and firm basis. Her industries have grown, her agriculture has expanded and her foreign trade more than doubled. Her yearly exports are nearly $200,000,000, and her national income reached, in 1937, about $600,000,000. At the same time she has honorably and consistently followed a policy of paying off her foreign debts. It is calculated that during the period 1932–37 Finland redeemed foreign bonds to an amount exceeding $125,000,000, and in this country alone she at the same time paid off debts to an amount of about $90,000,000. I think that we all appreciate this honorable policy of hers. But it must be evident that in following this honorable program Finland could not create any considerable balances abroad. Had she not been most scrupulous in fulfilling her international obligations and in paying her debts, she would now have ample balances abroad in foreign currencies. Russia has not paid us 1 cent of her debts since the World War, but sold us her gold at enormous profits, and can now buy what she needs in this country. Finland has paid her debts both to private creditors and to the United States Treasury, hence has no balances here and can therefore not buy the different commodities she most urgently needs. In refusing credit to Finland we thus directly favor Russia.

Finland needs, immediately and urgently, arms and munitions, guns and shells, airplanes and antiaircraft guns. She needs foodstuffs, raw materials, and manufactured goods. We can help her in all these respects without creating any precedent. Let us remember that Finland's front is not a part of the general front in the European war. Finland has been given help by Sweden, Norway, England, France, Italy, and also from other countries, but she must have more help than they can give.

The sympathy of this country is overwhelmingly in favor of Finland, and there have been put forward different proposals in order to give her the assistance public opinion in this country most unanimously urges us to give.

It is here proposed that the capital of the Export-Import Bank be increased by one hundred millions and out of this reserve grant Finland a credit of twenty millions in addition to the ten millions which were loaned her in December after the outbreak of hostilities. This credit would be granted like the previous ten millions, exclusively for the purchase in this country of agricultural surpluses and other commodities. There is no doubt that Finland needs much in the way of food, clothing, and so forth. Such a credit would be highly useful to her, provided the sum is adequate and the conditions satisfactory. The sum of twenty millions in addition to the previous ten millions ought, in any event, to be increased. But

the restrictions placed upon her make it impossible for Finland to get from us the arms she needs to protect her defenseless civilian population and to save the Finnish Nation from enslavement.

Finland fights fearlessly, not only for her own existence but also for the principles of liberty and democracy. Her defeat would mean the defeat of all the ideals which she shares with us. Her annihilation would completely change the situation all over Europe, giving the totalitarian states complete control, not only over the Baltic Sea but over northern Europe and in the Balkans as well. Such a development could not but also affect our country, and in the economic field it would have a most detrimental effect. Finland and the other Scandinavian countries have always been good friends and customers, ever faithful supporters of sound and normal principles in all international relations.

In the interest of free government and for the maintenance of civilization and the preservation of the ideals for which this country stands, we must see to it that Finland gets from us the help in arms, materials, and financial resources she needs and which we can give without endangering our own position or running the risk of being dragged into the European conflict. That, of course, must be avoided at all costs.

Mr. LUTHER A. JOHNSON. Mr. Chairman, will the gentleman yield?

Mr. KNUTSON. Yes, to my old friend.

Mr. LUTHER A. JOHNSON. The testimony of Mr. Jesse Jones before the Senate committee stated that Norway had asked for a loan of $10,000,000 under this, and that Sweden had also asked for a loan. Does the gentleman think it would be wise to make loans to Norway and Sweden?

Mr. KNUTSON. Yes. I think if Russia secures control of the Scandinavian Peninsula, Europe will inevitably go totalitarian. That may be good news to some, but not to me. It would be a tragedy of the first magnitude were the British Empire, as such, to be destroyed, and I am satisfied it would mean the end of democratic and Christian government in France, the Balkans, and all Europe.

There are times when I become so indignant over the way Britain searches our ships; over the way she violates the rights of neutral nations and her disregard for international law, that I could grab the old squirrel rifle off the wall and go onto a little war of my own. However, when I think of the stabilizing influence of that mighty empire I realize that its continued existence is necessary to the preservation of democracy and representative government. On that score I am willing to overlook, although reluctantly, her outrageous conduct in violating the rights of neutral nations. After all, my main concern is the preservation of representative and Christian government. To that creed all loyal Americans subscribe wholeheartedly and without reservations.

Mr. LUTHER A. JOHNSON. Then the gentleman believes in these loans to Norway and Sweden?

Mr. KNUTSON. I believe in these loans in the same way that I believe in the loan that France made to us back in Revolutionary days when we were fighting for independence. That was one of the best investments that France ever made. It resulted in the establishment of a democracy in France, if I remember my history correctly. This loan will result in the preservation of democracy in northern Europe, and not alone in northern Europe, but in the Balkans as well. It does not require a keen student of history to foresee that once Russia triumphs in northern Europe, the entire continent and perhaps all other continents, with the possible exception of the Western Hemisphere, will become totalitarian.

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

Mr. KNUTSON. Yes.

Mr. KELLER. Is it not true that at the time that Finland was a part of Sweden that they were willingly a part of Sweden?

Mr. KNUTSON. That is absolutely true. As a matter of fact, the language of a considerable part of Finland, the southern part, as the gentleman knows, is Swedish as well as Finnish.

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

Mr. KNUTSON. Yes.

Mr. GORE. Mr. Chairman, I notice the gentleman gives his approval to loans to the Scandinavian countries. Does the gentleman give the same approval to loans to South American countries?

Mr. KNUTSON. We would have to view loans to the South American countries from a different angle.

Mr. GORE. The gentleman means put them on a commercial basis?

Mr. KNUTSON. Strictly so. I would view such loans on a commercial basis, although, as I recall the testimony of Jesse Jones, he stated to the committee as his opinion that Finland would repay any money that we advance. It may be news to the gentleman that Finland has paid to this Government and to private creditors in this country over $90,000,000 since the World War. Had Finland defaulted on her loans the way the other debtor nations did, she would now have a very large dollar credit in this country, which she could use to buy things that she now needs and therefore would not need the credit we now propose to extend.

Mr. GORE. While that is not news, it is very welcome information.

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

Mr. CRAWFORD. Mr. Chairman, I yield myself 15 minutes. There has been so much evidence produced to the effect that this bill in no way guarantees a loan to Finland, that I shall not spend any material time discussing that phase of this proposed legislation. I think the subject has been pretty well covered, and I think it will be covered still better before we finish the debate.

AN ATTEMPT TO PUMP PRIME THE HEMISPHERE

The gentleman from Illinois [Mr. SABATH] brought up two or three points that I wish to discuss briefly. They deal with a situation which has to do with the financing of exports to Latin American countries. Here is an additional chapter in our attempt to pump prime the hemisphere, and here is exactly what I mean by that statement. We have gone along in this country with our pump-priming policy, and if we can believe what the President said to the convention of young people here a few days ago, we come to the conclusion that the unemployment situation is not solved through the Wagner Act or the Wage and Hour Act or pump-priming procedure. This has been primarily due to the fact that the pump priming was not geared to the removal of maladjustments which govern internally in the United States. That is proven by the fact that our people are not investing money in new industries, and by the further fact that our banks are loaded with excess reserves, to such an extent that there has been criticism offered here today against the banks to the effect that they will not lend money.

Now we jump across the water, through the Export-Import Bank, to western Europe, in an attempt to pump prime, and we go to the Latin American countries through the Export-Import Bank in an attempt to pump prime; but at the same time we are proceeding in that manner we are letting the Republic of Mexico thumb its nose in our faces, confiscate private investments of our people in that country, which investments call for more exports from this country than the Export-Import Bank can ever hope to finance. We go into countries further to the South, which have in round figures a billion dollars of default in payments coming to our people. We say to them, "That is perfectly all right. You go ahead and default all you please. You go ahead and confiscate all the private holdings of our citizens in your country which you desire to confiscate and we will extend to your countries loans through the Export-Import Bank."

That is international pump priming.

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

DESTROYS PRIVATE INVESTMENT INCENTIVE

Mr. CRAWFORD. I decline to yield. That is pump priming in a manner which destroys every desire of our people to make private investments in Latin American

countries, which, if they did, would be followed by enormous exports of our goods to those countries.

I ask you, what hope is there to our people who hold securities on which default has occurred, who walk the streets without jobs, if they must look to the little trickle of business that comes to our industries through the measly sum which we will afterward give to the Export-Import Bank?

Let us take the testimony of Mr. Jones, which you will find on page 3 of the hearings, in which he says:

> Therefore we are $30,000,000 overcommitted at the present time, and the reason we can be overcommitted is because of repayments and cancelations.

What is he talking about? They had a capital of $100,000,000. They ask here for an increase in that capital of $100,000,000. He is overcommitted to the extent of $30,000,000. At the bottom of page 3 he speaks of a $10,000,000 commitment to Norway. He must add that to the overcommitment of $30,000,000, which gives a total of $40,000,000. He speaks of a $10,000,000 commitment to Sweden. Add that to the $40,000,000 and it gives you $50,000,000. If you take the $20,000,000 which some think Finland is going to get out of this and add it to the $50,000,000, you have $70,000,000 committed. What have you got left? You have got $30,000,000 left, plus the cancelations which might follow, plus payments which might be paid into the revolving fund. What will that $30,000,000, plus these accretions from time to time, amount to in the way of exports? You draw your own conclusions. In my opinion, it is one of the most dangerous policies that we can follow now or at any later time.

An editorial from the Herald Tribune points this out:

> One of the natural repercussions of this American debt policy is to discourage still further the investments of private American capital in Latin America. Would-be investors see that outstanding debts are flouted with impunity and that, in addition to taking no steps to protect American investors, the American Government does nothing effective to protect the legitimate interests of American business concerns from expropriation or confiscation by Latin American governments. The inevitable result is the retardation of business here and abroad.

Let us take up another phase of this situation. Have you heard of the Inter-American Financial and Economic Advisory Committee? If you have not, get a copy of the third draft of the preliminary draft from the Pan American Union and see what the United States is about to be committed to in the way of a $5,000,000 subscription to the stock of that inter-American bank for the purpose of facilitating trade between the United States and Latin American countries. Then take a copy of the bylaws issued under date of February 5, 1940, and look at the powers and look at the involvements. All of that is in the face of these defaults. If I can secure permission to extend the voluminous data in the RECORD, I shall do so, to show some additional information in connection with this.

All of that has to do with our pump priming the Western Hemisphere. This bill moves in that direction. It is not a Finnish loan. If it were I would certainly give it more favorable consideration than I do. As it stands, I am opposed to the bill. I am opposed to this type of operation. I voted against the bill coming out of committee. I do not think we should put it into law at this time. Last year, for instance, the proposition came up. The Export-Import Bank, I believe, asked for $500,000,000. It finally went into a bill in the Senate at $100,000,000. The House later killed that proposition. Now it comes to us in a different form.

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

Mr. CRAWFORD. I yield to the gentleman from Ohio.

Mr. CLEVENGER. Would not the gentleman say that this thing is like a good many other of these propositions? By casting a slight Finnish aura around it in the hope of getting one little slice of turkey, we are asked to take several slices of turkey buzzard. [Laughter.]

Mr. CRAWFORD. That is exactly what this whole program is leading to. Of course it acts as a little cement now and then to finance a little exporting of goods, but keep in mind the Export-Import Bank is not big enough to solve your export problems and thus lead to greatly increased employment.

The chairman of our committee has pointed out that the ratio of exports furnished by the Export-Import Bank as compared to our total exports is almost infinitesimal; it is just a shadow, you might say. Unless you put billions of dollars into the Export-Import Bank it will remain a shadow. Any man who knows anything about figures, and exports, and business knows that.

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

Mr. CRAWFORD. I yield.

Mr. SOUTH. Does not the gentleman also know that Mr. Jones testified that the operations of the bank had shown a profit up to this date?

Mr. CRAWFORD. Talking about profit, Mr. Chairman, with $46,000,000 capital and $2,000,000 surplus, a total of $48,000,000, the bank has been operating since 1934. Here it is, 1940, and we talk about a measly profit of $5,000,000. If we had to depend upon profits of that kind to finance the expenditures of this Government, God only knows what would happen to us. Let us forget or not overemphasize that little profit. It is better than a loss, I must admit. But are we to drive out industry and close the private sources of funds in this country for that little profit? I clipped the following statement out of the Post this morning. Listen to this:

> On February 16 last the Secretary of the Treasury reported to Congress that borrowers from 31 Government corporations and lending agencies had defaulted on $1,053,742,488 in principal and interest payments. Presumably this lost billion has been written off or charged to the taxpayers. Investment banking cannot meet that kind of competition. It must work within the bounds of sound and prudent business principles.

Can private business stand up against that? You try it with your business. Of course, the program interferes with the investment of private funds. Of course, it closes private business. Of course, it discourages people. Of course, it, with great gold imports, builds excess reserves in your member banks. Of course, nobody wants a loan of consequence at the banks for business expansion—and so on the story goes. I repeat that every time you try to pump prime with this kind of shadow boxing you discourage someone in private industry. You had better stop these tactics unless you want the Government to take over all private industry.

Miss SUMNER of Illinois. Mr. Chairman, will the gentleman yield?

Mr. CRAWFORD. I yield.

Miss SUMNER of Illinois. As the gentleman knows, there would probably be a loss if all assets were now realized and the books closed. This may happen in 1941.

Mr. CRAWFORD. The whole profit is so small that I do not like to talk about it. It is like talking about a profit of $50,000 for General Motors, and maybe next year there will be a loss of $92,000,000, as there was in United States Steel one or two years ago—a $92,000,000 loss. They may make money this year, but they may lose much more money next year, as Dr. Lubin, the economist of the Department of Labor, has pointed out.

Miss SUMNER of Illinois. Mr. Chairman, will the gentleman yield further?

Mr. CRAWFORD. Certainly.

Miss SUMNER of Illinois. Does the gentleman from Michigan know any broker or any banker who would tell you that a loan to a country where a state of war exists, whether declared or undeclared, is a sound and good loan?

Mr. CRAWFORD. So far as concerns what is a good loan or what is a bad loan, go to any good banker and try to get the depositors' funds to spend in any way you please. If he is a good banker he will get security. Now, as to what securities are worth when put up by foreign governments in this day of war and defaulting I do not know. But I do not want us to create any more Government lending agencies or add to their capital structures so they can compete with private industry.

The President told us at the beginning of this session that these Government agencies could turn back about $700,000,000 into the Treasury, yet here before we get nicely started into the session is a bill to increase by $100,000,000 the capital of one of them.

Mr. SCHAFER of Wisconsin. Mr. Chairman, will the gentleman yield?

Mr. CRAWFORD. I yield.

Mr. SCHAFER of Wisconsin. In view of the record of these defaulting foreign countries should we not change the title of this bill to read: "Uncle Sam, the international Santa Claus"? And should we not amend the bill to include a section providing that any American may ship anything he wants to to any foreign country, and send the bill to Mr. Morgenthau, the Secretary of the Treasury, for payment?

Mr. CRAWFORD. The Latin-American countries are smooth enough to know that they can play us for the sucker. We were driven out of Mexico, yet we go right back in there and buy their silver and give them the dollar exchange with which to carry on. See what Bolivia did. [Applause.]

FEBRUARY 7, 1940.

THIRD PRELIMINARY DRAFT OF CONVENTION RELATING TO THE INTER-AMERICAN BANK

The contracting Governments of the American Republics considering

First, that economic and financial cooperation among the American Republics is an essential factor in fostering the welfare of and maintaining solidarity among these Republics:

Second, that such cooperation would be greatly facilitated by the establishment of an Inter-American Bank;

have resolved to conclude a convention on the following lines:

FIRST ARTICLE

The contracting parties agree to the creation of an institution to be known as the Inter-American Bank to carry out the purposes and to have the powers stated in the proposed charter and by-laws annexed hereto. The contracting parties agree that the Bank shall be accorded the powers, rights and privileges under their laws to engage in all types of activities, transactions and operations envisaged in such charter and by-laws and further agree to enact any legislation and to take any other action necessary to accord such powers, rights and privileges to the Bank. The United States of America also agrees to grant to the Bank a charter substantially in accordance with the proposed charter annexed hereto. Each contracting party hereby agrees to subscribe for the minimum number of shares required of such government for participation in the Bank as provided in the annexed by-laws.

SECOND ARTICLE

The contracting parties grant within their respective territories, the following rights, privileges, immunities and exemptions, in time of peace or war and in any period of emergency or otherwise; and agree to enact any legislation and to take any other action necessary to effectuate such rights, privileges, immunities and exemptions.

A. The Bank, its assets, obligations to it and its real and personal property of whatsoever nature, including any property deposited with it on a custody basis or otherwise, shall wheresover located and by whomsoever held, be exempt and immune from

(i) requisition, seizure, attachment, execution, confiscation, moratoria and expropriation;

(ii) prohibitions, restrictions, regulations and controls of withdrawal, transfer, or export; and

(iii) currency, monetary, exchange and debt regulation and control:

by the contracting party or any political subdivisions thereof, whether or not compensation is offered; provided, however, that nothing in this paragraph shall prevent a contracting party or political subdivision thereof from attaching or levying execution, subject to any lien or claim of the Bank, upon claims of its nationals against the Bank or upon property held by the Bank for such nationals.

B. Where restrictions, regulations, prohibitions or controls exist or are imposed in the territory of a contracting party in regard to the conversion or exchange of its currency into foreign currencies, the contracting party shall grant, sell or otherwise make available to the Bank, as provided in the next sentence, foreign exchange including precious metals, desired by the Bank for such local currency acquired by the Bank as a result of loans, discounts, extensions of credit, guaranties thereof, or investments, made to or with the guarantee, approval or consent of such contracting party, including principal, interest, and other returns thereon. Such foreign exchange shall be so made available on a basis, as to amount and rate as well as to all other factors, no less favorable than the most favored treatment extended under any circumstances by the contracting party to any government or political subdivision thereof, or to any individual, partnership, association, corporation or other organization or entity of whatsoever nature.

C. The Bank, its assets and real and personal property of whatsoever nature, including, without limitation of the foregoing, its charter, capital, reserves, surplus, income and profits, its activities, transactions and operations, and shares of stock and all notes, debentures, bonds and other such obligations issued by the Bank including dividends and interest thereon, by whomsoever held, and any remunerations or salaries paid by the Bank, and also any individual, partnership, corporation, association or other entity in its dealings and relations with the Bank in any of the foregoing matters and in its acquisitions, holdings, transfers or dispositions of any such shares and obligations of the Bank, shall be exempt and immune from all taxation by a contracting party or a political subdivision thereof now or hereafter imposed and by whatever name described, including, without limitation of the foregoing, excises and imposts; provided, however, that the foregoing shall not be construed as preventing the imposition by a contracting party or any political subdivision thereof of non-discriminatory taxes upon nationals of such contracting party with respect to any of the foregoing. As used in this paragraph "nationals of such contracting party" shall include any person who is domiciled in, or a citizen or resident of, such contracting party; and shall also include any individual, partnership, association, corporation or other entity organized under the laws of such contracting party or political subdivision thereof or having a permanent establishment, such as a branch, office, agency or other fixed place of business, in the territory of such contracting party; but shall not include the Bank. Notwithstanding any of the foregoing, neither a contracting party nor any political subdivision thereof shall impose any tax on or measured by salaries or remunerations paid by the Bank to its officers or employees who are citizens of any other contracting party. Nothing in this paragraph shall make the Bank or any other party referred to above exempt or immune from any customs duties or other taxes, fees, charges or exactions imposed on or in connection with the importation or exportation of any article; provided, however, that the exportation of

(i) coin, currency and of intangible property, including, without limitation of the foregoing, stocks, credit instruments, securities, and evidences of indebtedness, and

(ii) precious metals, other than precious metals produced in the territory of the contracting party and being exported for the first time,

owned or held by the Bank, or deposited with it on a custody basis or otherwise, and by whomsoever held, shall be exempt and immune from any customs duties or other taxes, fees, charges, or exactions. The provisions of this paragraph shall not be construed to restrict in any manner any exemption, deduction, credit or other allowance accorded by the laws of any of the contracting parties in the determination of a tax imposed by such party.

D. The Bank, its assets, obligations to it and its real and personal property of whatsoever nature, shall, wheresoever located and by whomsoever held, be subject to attachment or execution by a private party only after final judgment or decree in a suit, action, or proceeding in a court of a contracting party or political subdivision thereof.

E. The stock and the notes, debentures, bonds and other obligations and securities issued by the Bank shall be exempt and immune from prohibitions, restrictions, regulations, or controls now or hereafter imposed by any contracting party or any political subdivision thereof, with respect to the registration, issue and sale of stock, notes, debentures, bonds and other obligations and securities; provided that notes, debentures, bonds and other obligations and securities issued by the Bank shall not be issued or sold by the Bank in the territory of a contracting party which makes a timely objection, as provided in the By-laws of the Bank.

As used in this Article "political subdivision" shall include territories, dependencies, possessions, and also states, departments, provinces, counties, municipalities, districts, and other governmental organizations and authorities.

THIRD ARTICLE

The present convention shall be ratified and effectuated by the contracting parties in conformity with their respective constitutional methods. The original instrument shall be deposited in the Pan American Union, in Washington, which shall transmit authentic certified copies to the contracting parties for the purpose of ratification. The instrument of ratification shall also be deposited in the archives of the Pan American Union, which shall notify the signatory governments of such deposit. This notification shall be considered as an exchange of ratifications.

FOURTH ARTICLE

The present convention shall come into force and effect as between such ratifying parties if and when ratifications of this convention shall have been deposited with the Pan American Union by at least five of the contracting parties which have agreed to subscribe for at least a total of 145 shares of stock of the Bank. Each deposit of ratification shall be accompanied by the designation of a person to serve on the Organizing Committee of the Bank, which Committee shall meet forthwith after the convention shall have come into force and effect as provided herein and proceed with all arrangements necessary for prompt organization of the Bank.

FIFTH ARTICLE

A contracting party shall remain bound under this convention for one year after such party ceases to participate in the Bank and ceases to be in any way obligated to the Bank.

SIXTH ARTICLE

This convention shall remain open to the adherence of American Republics which are not now signatories. The corresponding instruments shall be deposited in the archives of the Pan American Union which shall communicate them to the other contracting parties.

FEBRUARY 6, 1940.

THIRD DRAFT OF CHARTER OF THE INTER-AMERICAN BANK

(Such charter would be granted by an act of the Congress of the United States of America)

SECTION 1. There is hereby created a body corporate with the name "Inter-American Bank," hereinafter referred to as "the bank."

SEC. 2. The structure, operations, and activities of the bank shall be as defined by the bylaws, which are annexed to the convention relating to the establishment of the bank. The bank shall also have all incidental powers necessary and proper to carry out the powers now or hereafter expressly authorized herein or in the bylaws of the bank.

SEC. 3. The bank may begin operations when at least a total of 110 shares of stock of the bank are subscribed for by at least five governments which have also deposited their ratifications of the afore-mentioned convention with the Pan American Union.

SEC. 4. The bank shall have succession for a period of 20 years from the date of enactment hereof or until such earlier time as it shall be lawfully dissolved. The United States agrees not to repeal or amend this charter except upon the request of the bank pursuant to a four-fifths majority vote of the board of directors of the bank. The United States may extend the charter for additional 20-year periods upon the request of the bank pursuant to a four-fifths majority vote of the board of directors of the bank.

SEC. 5. Amendments to the bylaws of the bank, consistent with the afore-mentioned convention, this charter, and the purposes of the bank as now set out in article 5A of the bylaws of the bank, may be adopted by the bank pursuant to a four-fifths majority vote of the board of directors: *Provided, however*, That article 5A of the bylaws may not be amended, and provided further that the provisions in such bylaws relating to the effect and manner of the making of a timely objection by a participating government may not be amended except by a unanimous vote of the representatives of all the participating governments.

SEC. 6. The bank shall have power to adopt, alter, and use a corporate seal, and to make such contracts and to acquire, own, hold, use, or dispose of such real and personal property as may be necessary for the transaction of its business.

SEC. 7. The bank may sue and be sued, complain and defend, in any court of competent jurisdiction. Any civil suit at law or at equity, brought within the United States, its Territories, and possessions to which the bank shall be a party shall be deemed to arise under the laws of the United States, and the district courts of the United States shall have original jurisdiction of all such suits; and the bank, in any such suit, may, at any time before the trial thereof, remove such suit into the district court of the United States for the proper district by following the procedure for the removal of causes otherwise provided by law.

FEBRUARY 5, 1940.

DRAFT OF BYLAWS OF A BANK TO BE CALLED THE INTER-AMERICAN BANK

1. LOCATION

The principal office of the bank shall be in the United States of America, and branches may be established anywhere in the Western Hemisphere.

2. CAPITAL STRUCTURE AND PARTICIPATION

A. The capital stock shall be expressed in United States dollars (hereafter referred to as dollars) and shall be authorized in the amount of $100,000,000, consisting of 1,000 shares having a par value of $100,000 each, to be paid for in gold or in dollars. Fifty percent of the issue price of each share shall be paid up at the time of subscription. The balance may be called up at a later date or dates at the discretion of the board of directors of the bank. Two months' notice shall be given of any such calls. Upon the formation of the bank the shares of stock shall be sold at par. Thereafter the issue price of shares shall be fixed by a four-fifths majority vote of the board of directors.

B. Stock shall be available for subscription only to the governments of the American republics which have subscribed or adhered to the convention relating to the bank. For a government to participate in the bank it must subscribe for a minimum number of shares, determined in proportion to the dollar value of the total foreign trade of each of the American republics during the year 1938 as follows:

Group A. Up to $25,000,000: Costa Rica, Ecuador, El Salvador, Haiti, Honduras, Nicaragua, and Paraguay, 5 shares.

Group B. Over $25,000,000 and up to $50,000,000: Dominican Republic, Guatemala, and Panama, 10 shares.

Group C. Over $50,000,000 and up to $75,000,000: Bolivia, 15 shares.

Group D. Over $75,000,000 and up to $100,000,000: Uruguay, 20 shares.

Group E. Over $100,000,000 and up to $150,000,000: Peru, 25 shares.

Group F. Over $150,000,000 and up to $250,000,000: Chile, Colombia, and Cuba, 30 shares.

Group G: Over $250,000,000 and up to $500,000,000: Mexico and Venezuela, 35 shares.

Group H. Over $500,000,000: Argentina, Brazil, and United States, 50 shares.

Each participating country may subscribe for stock in addition to the minimum. Where the demand for such additional stock exceeds the amount available for issue by the bank, such demand will be met on an equal basis from such available shares.

C. Governments of American republics which do not participate in the bank at the time of its formation or which shall have at any time ceased to participate in the bank shall be permitted to participate in the bank upon adhering to the convention relating to the bank, subscribing for the minimum number of shares and complying with any other terms and conditions designated in regulations of the bank.

D. Liability of a shareholder in its shares shall be limited to the issue price of the shares held by it.

E. (1) The shares of stock held by each government shall be security for all the obligations of such government to the bank, and shall not be otherwise pledged or encumbered by the shareholder.

(2) If a government fails to pay any call on a share on the day appointed for the payment thereof, the bank may, after giving reasonable notice to such government, revest in itself title to such share, paying to the defaulting shareholder an amount equal to the fair value of such share as determined by the bank less the amount unpaid on such share and less any amount which the bank considers necessary as additional collateral for any outstanding obligation or liability of such government to the bank. Failure to pay any call on a share on the day appointed for the payment thereof shall deprive the defaulting government of its right to exercise a vote in respect of such share so long as such government remains in default, provided that the failure of a government to pay any call on the minimum number of shares required to be subscribed by it shall deprive such government of the right to exercise any voting power during the period of default.

(3) If a government defaults on any other obligation to the bank, the bank may, after taking reasonable action to realize on any other collateral given to secure such obligation and after giving reasonable notice to such government, revest in itself title to an appropriate number of shares belonging to such government and apply to the defaulted obligation the fair value of such shares as determined by the bank less the amount unpaid on such shares. Any amount remaining, less any amount which the bank considers necessary as additional collateral for any outstanding obligation or liability of such government to the bank, shall be paid by the bank to the defaulting government.

(4) If, after a government has had a reasonable opportunity to present its position to the Board, the Board by a four-fifths majority vote finds that such government has violated any provision of the Convention relating to the bank, such government shall cease to participate in the bank, but its obligations and duties with respect to the bank shall continue and the bank may revest in itself title to an appropriate number of shares belonging to such government and apply the fair value of such shares as determined by the bank, less the amount unpaid on such shares, to compensate the bank for such damages as the bank determines it suffered by reason of such violation. Any amount remaining, less any amount which the bank considers necessary as additional collateral for any outstanding loan or liability of such government to the bank, shall be paid by the bank to such government.

F. Shares of stock may be transferred only to the banks or to other participating governments at a price to be agreed upon between the parties and upon the approval of the transfer by a four-fifths-majority vote of the board of directors. If, as a result of the transfer of shares of stock or reacquisition by the bank, or for any other reason, a government holds less than the minimum amount of shares of stock required of it, such government shall cease to participate in the bank, but its obligations and duties with respect to the bank shall continue.

G. The capital structure of the bank, including he number and par value of shares may be increased or decreased by a four-fifths-majority vote of the board of directors, except that a unanimous vote of the representatives of all the participating governments shall be required to increase or decrease the minimum holdings of participating governments.

H. The voting power of each government on the board of directors shall be distributed as follows: 20 votes for each government for its minimum shares, and 1 vote for each additional share. However, regardless of the amount of stock owned by it, no government shall have a voting power in excess of 50 percent of the total voting power of all the other participating governments on the basis of stock which such other governments own at the time.

3. MANAGEMENT

A. The administration of the bank shall be vested in the board of directors composed of one director and one alternate appointed by each participating government. Each government shall appoint its director and alternate in a manner to be determined by it. Such director shall serve for a period of 2 years. An alternate shall serve for such period as shall be determined by his government. The bank shall pay such reasonable expenses as are incurred by the directors and alternates in attending any meetings of the board or any committee of the bank. The voting power held by a participating government shall be exercised by the director and in his absence by the alternate or a nominee or proxy. The alternate may otherwise participate in the activities of the board.

B. Meetings of the board of directors shall be held not less than four times a year and may be held either at the principal or any branch office or at any other city in a participating country as the board of directors may determine. The president may call special or extraordinary meetings of the board of directors at any time.

C. The board shall select a president of the bank, who will be the chief of the operating staff of the bank and who also shall be ex officio chairman of the board of directors, and one or more vice presidents, who shall be ex officio vice chairmen of the board of directors. The president and vice presidents of the bank shall hold office for 2 years and shall be eligible for reelection.

D. The departmental organization of the bank shall be determined by the board. The heads of departments and other similar officers shall be appointed by the board on the recommendation of the president. The remainder of the staff shall be appointed by the president.

E. The board may also appoint from among its members an executive committee. The board may at any meeting by a four-fifths majority vote, authorize the president or the executive committee or any other committee of the bank to exercise any specified powers of the board; provided, however, that such powers shall be exercised only until the next meeting of the board and shall be exercised in a manner consistent with the general policies and practices of the board. The board may also, by a four-fifths majority vote, delegate to designated officers and committees of the bank, for such periods as it may determine, power to make loans and extend credit in such small amounts as may be fixed by the board.

F. The board may appoint advisory committees chosen wholly or partially from persons not regularly employed by the bank.

G. The board, within a year after its first meeting, shall by regulations prescribe the reserves to be established and maintained against demand deposits and other obligations of the bank and shall prescribe a limitation on the amount of intermediate and long-term assets in relation to capital and surplus; and such regulations shall not be amended, modified, or revoked except by a four-fifths majority vote of the board.

H. Before the bank finally approves an intermediate or long-term loan or extension of credit, a full written report on the merits of the proposed transaction shall be prepared by a committee of experts which may include persons other than officers and employees of the bank.

I. Except as herein otherwise provided, decisions of the board shall be by simple majority of the votes cast. In the case of equality of votes the chairman shall have a deciding vote. A government may vote at meetings either through the director or alternate or through a nominee or proxy in such manner as the board may provide by regulations. When deemed by the president to be in the best interests of the bank, decisions of the board of directors may be made without a meeting by polling the directors on specific questions submitted to them in such manner as the board of directors shall by regulations provide. The board of directors shall by regulations determine what constitutes a quorum for a meeting.

J. Approval by four-fifths majority vote of the board of directors shall be required for the making and granting of intermediate and long-term loans and credits, including the assumption of the obligation of a guarantor on intermediate and long-term loans and credits; the acquisition and sale of intermediate and long-term obligations and securities; the discounting and rediscounting of intermediate and long-term paper; engaging in bullion and foreign-exchange transactions and otherwise incurring foreign-exchange risks; the issuance of debentures and other securities and obligations of the bank; the determination of the functions and duties of the officers and principal employees of the bank and the executive and other committees; the calling up of the balances due on stock; the creation of branches of the bank; and for amending the bylaws, except that article 5A of these bylaws may not be amended and except that the provisions of these bylaws relating to the effect and manner of the making of a timely objection by a participating government may not be amended except by a unanimous vote of the representatives of all the participating governments. Four-fifths majority vote of the board of directors, as used in these bylaws, means four-fifths of the votes cast.

4. ACCOUNTS AND PROFITS

A. The financial year of the bank shall end on December 31.

B. The books and accounts of the bank shall be expressed in terms of the United States dollar.

C. The bank shall publish an annual report and at least once a month a statement of account in such form as the board may prescribe. The board shall cause to be prepared a profit-and-loss account and a balance sheet for each financial year. All published documents shall be printed in the official languages of the participating governments. The board shall designate a committee of directors to arrange for examination, at least once a year, of the books and accounts of the bank by competent experts to be selected by the committee.

D. The yearly net profits of the bank shall be applied as follows:

1. Not less than 25 percent of such net profits shall be paid into surplus until the surplus is equal in amount to the par value of the authorized capital stock of the bank.

2. The remainder of such net profits shall be applied toward the payment of a dividend of not more than 3 percent per annum on the paid-up amount of the stock of the bank; provided, however, that dividends shall be noncumulative and no dividends shall be paid so long as the capital of the bank is impaired.

3. The balance of such profits shall be paid into surplus and be designated a dividend reserve.

E. The board of directors by a four-fifths majority vote may declare dividends out of the dividend reserve in surplus of the bank; provided, however, that total dividends in any one year, including dividends paid pursuant to paragraph D-2 above, shall not be more than 3 percent of the paid-up amount of the stock.

F. The bank may not be liquidated except by a four-fifths majority vote of the board of directors. Upon liquidation of the bank and after discharge of all the liabilities of the bank, the assets remaining shall be divided among the shareholders.

G. The shares shall carry equal rights to participate in the profits of the bank and in any distributions of assets upon liquidation of the bank.

5. PURPOSES AND POWERS

A. The bank is created by the American republics to carry out the following purposes:

(1) Facilitate the prudent investment of funds and stimulate the full productive use of capital.

(2) Assist in stabilizing the currencies of American republics, encourage the maintenance of adequate monetary reserves, promote the use and distribution of gold and silver, and facilitate monetary equilibrium.

(3) Function as a clearing house for and in other ways facilitate the transfer of international payments.

(4) Increase international trade, travel, and exchange of services in the Western Hemisphere.

(5) Promote the development of industry, public utilities, mining, agriculture, commerce, and finance in the Western Hemisphere.

(6) Foster cooperative action among the American republics in the fields of agriculture, industry, public utilities, mining, marketing, commerce, transportation, and related economic and financial matters.

(7) Encourage and promote research in the technology of agriculture, industry, public utilities, mining, and commerce.

(8) Engage in research and contribute expert advice on problems of public finance, exchange, banking, and money as they relate specifically to the problems of American republics.

(9) Promote publication of data and information relating to the purposes of the bank.

B. In order to carry out the foregoing purposes the bank shall have specific power to:

(1) Make short-term, intermediate, and long-term loans in any currency and in gold or silver to participating governments and to fiscal agencies, central banks, political subdivisions, and nationals thereof; provided that any such loan to such fiscal agency, central bank, political subdivision, and national shall be guaranteed by the government thereof.

(2) Buy, sell, and deal in the obligations and securities of participating governments and of fiscal agencies, central banks, political subdivisions, and nationals thereof; provided such obligations and securities as are not the direct liability of such government are guaranteed by such government; and provided further, that the bank shall not buy obligations and securities that are in default in whole or in part as to principal or interest.

(3) Guarantee in whole or in part loans made from any source to participating governments and to fiscal agencies, central banks, political subdivisions and nationals thereof, provided that such loans as are not the direct obligation of such government are guaranteed by such government.

(4) Act as a clearing house of funds, balances, checks, drafts, and acceptances.

(5) Buy, sell, hold, and deal in precious metals, currencies, and foreign exchange for its own account and for the account of others; provided, however, that no such transaction shall be entered into with a fiscal agency, central bank, political subdivision, or national of a participating government, if such government makes a timely objection; and guarantee the availability and the rates of exchange of the currencies of participating governments.

(6) Issue or sell debentures and other securities and obligations of the bank to obtain assets for the purposes of the bank, provided that such debentures and other securities and obligations shall not be issued or sold by the bank in the territory of any participating government which makes a timely objection. The bank may also borrow in any other manner from participating governments, and from political subdivisions and banking institutions thereof unless the government of the lender makes a timely objection.

(7) Accept demand and time deposits and custody accounts from others, including participating governments and fiscal agencies, central banks, political subdivisions and nationals thereof unless the participating government makes a timely objection; provided that the bank shall pay interest, if any, only on deposits of governments, fiscal agencies, and political subdivisions thereof, and central banks.

(8) Discount and rediscount bills, acceptances, and other obligations and instruments of credit of participating governments and fiscal agencies, central banks, political subdivisions and nationals thereof, provided that such paper as is not the direct obligation of such government is guaranteed by the government.

(9) Rediscount with any government, fiscal agency, or banking institution bills, acceptances, and instruments of credit taken from the bank's portfolio; provided, however, that the bank may not rediscount with a fiscal agency or a banking institution in the territory of a participating government which makes a timely objection.

(10) Open and maintain time and demand deposits and custody accounts with governments and banking institutions and arrange with governments and banking institutions to act as agent or correspondent for the bank.

(11) Act as agent or correspondent for any participating government and for fiscal agencies, central banks, and political subdivisions thereof, unless the Government makes a timely objection.

(12) Engage in financial and economic studies and publish reports thereof.

(13) Buy, sell, negotiate, and deal in cable transfers, accept bills and drafts drawn upon it, and issue letters of credit—all subject to the limitations herein provided with respect to loans, extensions of credit, discounting and rediscounting of paper, and dealing in obligations and securities.

(14) Adopt, alter, and use a corporate seal; acquire, own, hold, use, or dispose of such real and personal property as may be necessary for the transaction of its business; and make contracts subject to the limitations herein provided.

(15) Exercise incidental powers necessary and proper to carry out the powers expressly authorized herein.

C. The board of directors shall determine the nature of the operations which may be undertaken by the bank in the exercise of its powers and in order to effectuate its purposes. The operations of the bank shall at all times be conducted in conformity with the laws of the territory where the bank is acting and, so far as possible, be conducted in conformity with the policies of the participating government directly concerned.

6. DEFINITIONS

A. As used herein "nationals" of a participating government or country shall include any person who is domiciled in, or a citizen or resident of, such participating government or country; and shall also include any individual, partnership, association, corporation, or other entity organized under the laws of such participating government or political subdivision thereof or having a permanent establishment, such as a branch, office, agency, or other fixed place of business, in the territory of such participating government.

B. As used herein "short term" shall mean a period less than 1 year; "intermediate" shall mean a period from 1 to 5 years; and "long term" shall mean a period longer than 5 years.

C. As used herein "political subdivision" shall include territories, dependencies, possessions, and also States, departments, provinces, counties, municipalities, districts, and other governmental organizations and authorities.

D. Within the meaning of these bylaws a government shall be deemed "to make a timely objection" only if such government, after its director is notified of the proposed action or course of action by the bank and within the reasonable period of time fixed by the board, presents to the bank through such government's director, alternate, nominee, or proxy its objection to such action or course of action. The bank shall notify the directors representing the governments concerned when action or a course of action is contemplated by the bank under article 5B (5), (6), (7), (9), and (11) of these bylaws.

Mr. CRAWFORD. Mr. Chairman, I yield 1 minute to the gentleman from Minnesota [Mr. THORKELSON].

Mr. THORKELSON. Mr. Chairman, this bill, S. 3069, is known throughout the country as the Finnish loan bill, and on its face does not disclose its real purpose.

The minority members of the Committee on Banking and Currency of this House have put their finger on what it really is.

It is a subterfuge to finance Latin America through political loans.

I have in my hand three interesting documents proving this point, which point was raised by the minority when the rule was granted yesterday. The first document is a draft of a convention relating to the Inter-American Bank. A convention is a treaty which need not be confirmed by the Senate, as illustrated by the "300-mile neutrality zone" under the recent Panama convention.

The second document is the charter of the Inter-American Bank, and the third document is a draft of the bylaws which control the "structure, operation, and activities of the bank." On their face the documents show that they were issued by the Pan American Union, of Washington, D. C., and apparently prepared by the Inter-American Finance and Economic Advisory Committee, made up of bureaucrats in the Treasury, State, and Commerce Departments.

The idea of this bank was proposed last fall by the Mexican delegate to the Costa Rica financial congress.

Under this program, as revealed by these three clever documents, the President of these United States signs the convention which becomes a treaty binding upon this Congress.

Therefore this Congress is bound to grant the bank charter provided in the convention.

This is international finance with a "cold deck." When these three Latin American countries have confiscated American property, destroyed established American businesses, embracing the doctrines of Lenin and Marx by "sharing the wealth" with force, then it is communism or the communal ownership of private property in its most precise form.

This bill now under consideration is clearly a step in the program that I set before you, which has destroyed, is destroying, and will continue to destroy, American foreign trade.

The New York Herald Tribune, on June 5, 1939, in an editorial entitled "Pump Priming a Hemisphere," points out that Chili has just announced that it will take over American oil distribution in that country and would like to place an $80,000,000 loan in the United States through the Import-Export Bank covered by this bill. Although pump priming has failed at home, this Congress is risking the drying up of further markets for American capital and enterprise. It points out that most Latin American countries are already heavily in debt, and nearly all of them, with the exception of Argentina, have been in default for years. By this bill Congress seeks to ignore these defaults and is directing the management of the Import-Export Bank and the Federal Loan Administrator to grant further credits to the Government and businessmen of Latin America, without any assurance, as the Latin-American record of defaults and expropriations proves that the Import-Export Bank will ever see the American taxpayers' hard-earned tax payments returned to us.

If these credit risks in Latin America are so desirable and so advantageous, so profitable, and so secure, I put it to you that private banking would gladly embrace this wonderful opportunity before the Inter-American Finance and Economic Advisory Committee of the State, Treasury, and Commerce Departments ever got underway; before this Congress in its cautious legislation ever had a chance to consider this bill; and before the Government bank in Washington or the Latin American pipe line got a chance to advance the American taxpayers' moneys to the governments and businessmen of Latin America.

It points out that the American Government does nothing effective to protect the legitimate interests of American business concerns from expropriations or confiscations by Latin American governments. It shows that the administration has done nothing to protect American interests against illegal and unfair acts of some of the governments of these countries. Bolivia, Mexico, and now Chile—their technique is different but their objective is the same, namely to take over well-running organizations after Americans have done the pioneering and development.

The New York Journal of Commerce, in an editorial of July 11, 1939, shows that—

> Efforts to prime the pump of American foreign trade through Export-Import Bank loans are doomed to failure. Whatever benefits are derived from such loans are more than offset by a failure to create conditions that promote new private investments abroad. As long as this continues to be the case, Congress is justified in keeping the activities of the Export-Import Bank within modest limits.

The Wall Street Journal recently pointed out in an editorial that—

> It is inconceivable that our Government should make loans or commerce credits available here to governments which have refused to respect the legitimate rights of foreign investors, or to the citizens of such governments—desirable as it is that we cultivate commercial relations with the countries to the south of us on a basis of fairly balanced mutual advantage, the question of good faith comes first. Somewhat unfortunately there is no easy way of determining just how far the doctrine of confiscation may have spread south of the Rio Grande. In view of that difficulty it is necessary to say that our Government credit agencies had better confine their activities to countries the governments of which clearly dissociate themselves from that doctrine.

This Congress must be aware that the views which the press express are known to their readers throughout the country. There comes a time, gentlemen, there comes a time.

The Calumet (Mich.) News, in an editorial dated June 16, 1939, entitled "Dreams That Become Nightmares," points out that governments owe the United States more than $12,000,000,000; that Mexico postponed payment on confiscated farm lands for decades, and justified her position as "expropriation of a general and impersonal character" affecting her own

nationals and foreigners alike; that obviously if a gang of Americans in the United States should seize all the oil properties in Oklahoma, Texas, or California, they would be held responsible for daily crimes. The editorial out West goes on to conclude that:

In the meantime, while Mexico ducks and evades settlement of this vital issue, the daily confiscations go on to the tune of over $100,000 a day—a loss to foreign property holders which the Mexican Government never can make up. * * * But in spite of this apparently easy way of getting something for nothing, the Mexican confiscation program is not working out the way it was planned, and already the properties are deteriorating. Laborers, commerce, and industry have not received the promised profits or spiritual uplift. There has been no increase in employment or wages. Living conditions have not improved. In fact, government management has been decidedly unsuccessful. The dream of the National Revolutionary Party headed by President Cardenas has turned into a nightmare.

The Mexican peso has dropped from 2 to 1 to the dollar to 5 to 1, and is well on its way to 10 to 1, which raises the cost of living of every Mexican citizen, and the elections in Mexico are in October.

The New York Herald Tribune last October carried an editorial on the subject which we are considering under this bill, and points out that—

In the first place, not all the countries of Latin America need stabilization loans, whereas all except Argentina want capital; that while it is obviously desirable to enlarge the trade between the United States and Latin America this must be, in the final analysis, on a basis of exchange rather than of loans.

The editorial says that Mr. Jesse Jones—to whom we are contemplating the wisdom of giving $100,000,000 under this bill—put it well in his letter to the National Foreign Trade Council last week when he said that—

While credit can help, the only permanent solution is real trade, where we buy as well as sell—somewhat as our seafaring ancestors used to do when the ship captain was the trader.

The editorial points out that the trouble is to find things to buy in Latin America that we can use. Until we find such articles, it is folly to advance large sums to finance selling to Latin America. This becomes a form of international pump priming, with all present signs indicating that it will not work.

As a matter of fact, when the broad picture of the relations between the United States and Latin America is considered, it is impossible to leave out the record of defaults on loans made by Americans to Latin American countries and the effect of direct investments in stimulating trade. The idea that loans create trade is open to grave question.

We had our post-war loans which have never been repaid. The foreigners got the goods, which created a false period of prosperity in the gay 1920's and we have had a headache ever since.

As the editorial says, for a brief period loans give the illusion of increased trade. But as a rule, a loan is little more than "a shot in the arm."

Direct investments, on the other hand, especially those in productive properties, tend to maintain and slowly increase the volume of trade between the investing nation and the country where the money is invested. While this generalization is subject to certain qualifications, its pertinence is exhibited by the fact that one of the proposals being considered in Washington calls for an increase in direct investments in Latin America.

The editorial concludes with a statement that the good-neighbor policy must, in the final analysis, rest on economic realities. It may be diplomacy, but out West we would call it the double-cross for the State Department to try to set up this inter-American bank under these circumstances, and yet, at the same time, attempt to convey to Latin American governments the absolute and unlimited conviction of this Congress that no neighbor is a good neighbor who attempts by trick, subterfuge, or indirection to achieve communization of American property abroad. [Applause.]

SESSION ON INVESTMENTS AND NATIONAL POLICY OF THE UNITED STATES IN LATIN AMERICA [1]

(By Max Winkler, College of the City of New York)

Latin America appeared a logical field for the placement of American capital. Half a century ago our total stake in the countries south of the Rio Grande barely exceeded $50,000,000. At the outbreak of the European war our investments in Latin America had reached $1,300,000,000, or almost four times as much as our European investments, which were estimated at $350,000,000. At the beginning of the current year American investments in Latin America totaled $5,705,601,000, or slightly in excess of our stake in Europe. * * *

Few probably realize that for every increase of $1,000 in our investments in Latin America during the past decade and a half our commerce with our neighbors increased $140.49, while our trade with Europe during the period 1913–30 registered a gain of only $72.67 for every $1,000 increase in American investments in the old continent.

These figures would seem to demonstrate the underlying causes for America's economic penetration of her southern neighbors. It is obvious that we did not make our investments largely in order to make it possible for our soldiers, our bankers, and oil barons to rule Latin America, as stated by a rather prominent American historian versed in Central and South American affairs.

Although both interest and expedience dictate that Latin America should rank first as an investment field for America's surplus funds, extreme discrimination must be exercised in the granting of credits, and precise stipulations made regarding the purpose to which they shall be put. Lenders who ignore or do not heed sufficiently these cardinal principles are conferring no benefits upon the borrowers. On the contrary, they are definitely aggravating their difficulties without securing for themselves corresponding compensation, except perhaps the transitory joy which resides in monetary rewards.

Our experience as a lending power, brief though it is, is replete with instances which clearly demonstrate that many a credit, granted regardless of the manner in which the proceeds were expended, turned into a discredit to ourselves, without in any way benefiting the borrower, except perhaps some unscrupulous public official. * * *

During and after the war our friends south of the Rio Grande discovered that the Norte Americano was no longer a myth. He consumed large quantities of coffee and sugar and bananas, of tin and nitrate and manganese. He supplied ingenious farming devices and cheap automobiles which did as good service as expensive cars from Europe. But he was not popular because his ways differed from all precedents, and he was suspected of contempt for those whom he arrogantly termed "Latin Americans."

Then was born a wonderful new era—an era in which millions of dollars—tens and hundreds of millions—were offered to the governments and industries of the southern republics by the same incomprehensible Norte Americano, who not so many years back would bicker over 90 days' credit on a hundred dollars' worth of merchandise. In typical American fashion, we aimed at achieving overnight what it has taken our European friends decades to accomplish. It seemed as if we had set as our goal the creation of a record as regards the investment of capital in South and Central America. The desirability of such investments was rarely questioned, the principal object, on many occasions, being the extent of the underwriters' profit. * * *

So long as the golden stream was flowing in, respect and gratitude filled the hearts of Argentinians and Brazilians, Chileans and Peruvians, Bolivians and Colombians and Uruguayans for the manifestation of good will and confidence on the part of the United States. Thousands of young men from those countries came here to learn our language and commercial methods. Our engineers and business experts journeyed south by invitation. Presidents of the United States exchanged visits with the Presidents of those republics. Good relations and mutual confidence became firmly established.

America's leadership in the field of international finance was undisputed. Americanization and American methods were the goal of every nation across the Atlantic and south of the Rio Grande. The United States abounded in experts in practically every field of endeavor and at all times ready to lend those American wizards of economics and finance to whomever was anxious to borrow them. Of course, each time an expert was dispatched to a foreign land the American investing public began to be prepared for a loan to that country. The expert's advice was invariably followed or accompanied by the flotation of issues on behalf of the nations whom he had been called upon to advise. * * *

Then, suddenly and without warning, the fountain of credit dried up. The New York foreign-bond market, expensively organized through years of educational campaigns, collapsed. Underwriting houses, investment corporations, and foreign-bond brokers abandoned their bond departments in order to devote all of their time to a stock-market orgy which lasted 17 months.

Latin America was bewildered by this changed situation, which New York bankers were finding difficult to explain. Relations were still good, but there was an undercurrent of resentment, particularly on the part of governments with unfinished roads and public works for which funds were actually promised, subject to market conditions. It cannot be said that there is good understanding when one of the parties does not understand.

Unemployment set in. Demand for native products decreased. Governments were found wanting because they could no longer keep promises. Discontent grew, and so did the desire to change conditions through revolutions—a method which, on the whole,

[1] Papers and Proceedings of the Forty-fourth Annual Meeting of the American Economic Association. The American Economic Review, vol. 22, Supplement, March 1932.

had lain dormant for decades. It was discovered, however, that a mere change in government cannot alter appreciably the price of copper and tin, of silver and nitrate, of coffee and sugar. The governmental treasuries were empty; trade was falling; reserve ratios dwindled; and the inevitable happened—suspension of payment on contractual obligations.

The age-old theory was revised: South and Central American countries have little, if any, regard for the rights and privileges of creditors. Nothing can be further from the truth. Integrity and honesty are not the sole property of certain nations. Our southern neighbors are inherently as honest as our Anglo-Saxon cousins or our far-eastern friends. The fault is at least as much the lender's as it is the borrower's.

To begin with, we almost went out of our way to finance Latin-American projects. No loan was turned down so long as we felt that it would be absorbed by the American investing public. It is indeed amazing to find that, in spite of the unparalleled demand for foreign issues during the period 1924–29, not a single loan was sold to the American public on behalf of a nonexistent foreign government. Anyone familiar with the state of the bond market at that time knows how easy it would have been to place successfully even bonds of such category.

The result was that nations were permitted to accumulate a debt far beyond their capacity to meet. Many of our bankers, relatively new in the field, had cultivated a peculiar idea about Latin America. They were inclined to look upon financial transactions with most of our neighbors as hazardous, and consequently decided to have the supposed risk offset by the onerous terms imposed. In this connection it may be of interest to quote from a statement made by one of South America's most distinguished statesmen, Dr. Augustin Edwards, of Santiago, anent the sale to an American group of a Bolivian loan. "Loans," he said, "are made to countries in which the financial and economic condition and the governments offer reasonable guarantee of repayment. Capitalists are not obliged to extend credit to those who do not offer such guarantees. But beyond this it is not safe to go." American bankers did go beyond this, and it has proved distinctly unsafe, not so much for them as for those of the American investing public who had been prevailed upon to purchase those bonds.

The default on the part of South American republics, regardless of who may be responsible, has doubtless dealt a severe blow to the credit standing of these countries in the financial markets of the world. Fear on the part of investors, due largely to paucity of information, that the countries which have not as yet defaulted might emulate their neighbors has aggravated an already complicated problem. It is for these and similar reasons that we often encounter the most unusual spectacle of seeing South American issues, the service on which continues to be met, sell at prices which are not appreciably above the coupons which they bear. We witness third-lien bonds selling substantially in excess of first-lien issues, and bonds with higher interest rates selling considerably below issues with lower rates.

Such is the irretrievable penalty a nation is obliged to pay for the collapse of its credit. And since credit is one of the underlying factors in a nation's commerce, the trade of the country in question with its neighbors also suffers considerably.

Even in 1930, which was admittedly one of the most trying years in the economic history of Latin America, our total commerce with our southern neighbors showed a gain over the 1913 figures of more than 73 percent and compares with a gain in our own total trade over the pre-war figure of about 63.5 percent.

Careful and unprejudiced analysis of our relations with our southern neighbors reveals that the United States banker was not always extending aid for purely selfish reasons, or because he was anxious to further an imperialistic scheme evolved to subjugate all of Latin America. * * *

Within the past 50 years, our trade with Latin America has increased almost seven times; whereas our trade with Europe has, in the same period, advanced less than three and one-half times. Moreover, our commerce with Latin America has shown an even more impressive growth than the total trade of the United States, which increased slightly more than six times during the period 1880–1930.

Many are the disappointments to which our bankers for, and investors in, Latin American countries have been subjected, and even more numerous are the disappointments of American holders of Latin-American bonds. But large, too, is the number of mistakes which have characterized in the past our foreign-loan policy in general, and our Latin-American loan policy in particular, and for which the irretrievable penalty is now being exacted in the form of defaults and suspensions of payment.

Nevertheless, the importance of Latin America to the United States as a future market for our manufactured goods, cannot be disputed. Why do we not, therefore, concentrate our efforts to the end that our commerce with Latin America, amounting to $1,600,000,000 yearly, be at least maintained, and that it be not lost to us at a time when we most need it?

With approximately $6,000,000,000 of American capital invested in Latin-American securities and enterprises, it is no longer a question whether such investments should or should not have been made. Such question is by $6,000,000,000 too late. We are in Latin America to that extent, and it is incumbent upon us, or those of us who are charged with the guidance of the economic policies of the American people, to see to it that adequate protection is given to what has already been staked in Latin America, and that proper care is exercised in whatever investments we may make in the future.

This could best be accomplished through an unbiased and impartial agency, whose activities would be directed by men of experience in international affairs and of sufficiently high standing to command the respect of the community. And, while it is true that such an agency might from time to time find itself opposed to interests anxious to finance Latin American or foreign projects in general, largely because of the profits accruing from such undertaking, it could to advantage adopt as its slogan the Latin words: "Let them dislike us, as long as they respect us."

United States-Latin America trade and investments [1]

	1880	1913	1930	Over first period	Over 1913
	Millions of dol.	*Millions of dol.*	*Millions of dol.*		
Total United States exports	677	2,484	3,843	467.65	54.71
Exports to Europe	562	1,500	1,838	227.04	22.53
In percent of total	83.01	60.38	47.82		
Exports to Latin America	58	361	680	1,072.41	86.70
In percent of total	8.57	14.53	17.69		
Total United States imports	493	1,739	3,061	520.89	76.02
Imports from Europe	248	865	909	266.53	4.04
In percent of total	50.30	49.75	29.70		
Imports from Latin America	155	481	781	403.87	62.37
In percent of total	31.44	27.66	25.51		
Total United States trade	1,170	4,233	6,904	490.08	63.48
With Europe	810	2,365	2,747	239.13	16.15
In percent of total	69.23	56.00	39.79		
With Latin America	213	842	1,461	585.91	73.51
In percent of total	18.21	19.94	21.16		
Total United States investments abroad	200	2,625	17,528	8,664.00	627.50
Investments in Europe	120	350	5,607	4,572.50	1,502.00
In percent of total	60.00	13.33	31.98		
Investments in Latin America	50	1,300	5,708	11,312.00	338.92
In percent of total	25.00	49.52	32.55		

[1] Trade figures represent annual average for period preceding 1880.

United States investments in Latin America as of Jan. 1, 1931 [1]

	Direct investments	Portfolio investments	Total investments
Argentina	$353,369,000	$517,800,800	$871,169,800
Bolivia	61,619,000	61,104,000	122,723,000
Brazil	222,498,000	401,424,000	623,922,000
Chile	295,735,000	311,367,000	607,102,800
Colombia	123,994,000	184,402,800	308,396,800
Ecuador	11,777,000	10,726,000	22,503,000
Paraguay	12,615,000	150,000	12,765,000
Peru	126,530,250	102,881,000	229,411,250
Uruguay	27,904,000	81,977,300	109,881,300
Venezuela	240,808,850		240,808,850
Total, South America	1,476,850,900	1,671,832,900	3,148,683,800
Costa Rica	22,166,000	9,400,000	31,566,000
Guatemala	69,979,000	4,775,000	74,754,000
Honduras	71,485,000	1,250,000	72,735,000
Nicaragua	13,002,000	1,646,700	14,648,700
El Salvador	29,466,000	14,530,300	43,996,300
Panama	28,584,000	19,866,000	48,450,000
Cuba	1,014,444,500	206,320,500	1,220,765,000
Haiti	14,191,000	16,015,000	30,206,000
Mexico	725,043,900	145,796,300	870,840,200
Dominican Republic	69,322,000	19,684,000	89,006,000
Miscellaneous Latin America [2]	60,000,000		60,000,000
Total	2,117,683,400	439,283,800	2,556,967,200
Grand total	3,594,534,300	2,111,116,700	5,705,651,000

[1] The estimates of American investments in Latin America have been prepared by the writer.

The reasons for the discrepancy between these figures and those presented by the Department of Commerce are presented in a special study on "A New Estimate of American Investments Abroad," prepared by the Department. These reasons include, among others, the elimination by the Department of American investments in the obligations of the Mexican Government, its various political subdivisions, as well as in Mexican railways, advancing as a reason for the elimination the prevailing low quotation of Mexican securities and the resultant difficulty to determine their true value.

It is obviously difficult to subscribe unqualifiedly to such arguments. After all, the investment of American capital cannot be determined on the basis of the liquidating value at the time the computation is made, but must be based upon the actual amount invested in any given situation. If market values are chosen, it will become necessary to revise American capital investments abroad every time the quotation of the various foreign securities held in this country will undergo changes.

[2] Includes the Guianas, Jamaica, and other West Indies.

Mr. CRAWFORD. Mr. Chairman, I yield such time to the gentleman from Pennsylvania [Mr. VAN ZANDT] as he may desire.

Mr. VAN ZANDT. Mr. Chairman, for many years I have been a stanch advocate for a neutrality policy that will keep our country from becoming involved in another World War.

During the first and second sessions of this Congress there was much discussion concerning neutrality. Those of you who supported the administration's neutrality measure assured the membership of this House that such legislation was an iron-bound and foolproof neutrality policy. Those

of us who voted against repeal of the arms embargo cast aside our opposition to the administration's neutrality policy when the majority adopted it, joining in the pious wish that such a policy would keep America out of war.

Since the enactment of the administration's neutrality policy much water has flowed over the dam. Russia's invasion of Finland has aroused the sympathy of the American people. Some say this sympathy demands military aid for Finland in her valiant battle of resistance against the Russian bear.

I challenge the interpretation to be placed on this word "sympathy." True enough fully 98 percent of the American people are sympathetic to the Finns, provided our feelings are translated purely in the light of giving nonmilitary aid to this stricken country.

Every Member of this House has a definite mandate from the American people to keep this Nation out of war. As a Member of this body, I take this opportunity to call to your attention that while our sympathies are definitely with the Finnish people in their distress yet we cannot permit our sympathies to lead us in the direction that will ignore the mandate of the American people by setting a precedent that will surely plunge us into war.

We have before us for consideration S. 3069—a bill that provides for increasing the lending authority of the Export-Import Bank of Washington and for other purposes. This bill has been labeled by the spokesmen of the administration as a measure to aid Finland. Yet at no place in the bill is Finland mentioned. Even the committee report of the House Committee on Banking and Currency which accompanies this bill discloses that the Export-Import Bank may make a loan to Finland, but no definite commitment is made nor guaranty given that Finland will receive any assistance.

When Jesse H. Jones, Administrator of the Federal Loan Agency, under whose jurisdiction the Export-Import Bank functions, testified before the House Committee on Banking and Currency, he was courageous enough to confess the fact that no part of the $100,000,000 to be authorized under S. 3069 was committed to Finland. In other words, Administrator Jones was asking for $100,000,000 for the Export-Import Bank regardless of what has taken place in Finland. This is proved by quoting Administrator Jones while before the House Committee on Banking and Currency. I quote from page 35 of the hearings before the House Banking and Currency Committee:

Mr. GIFFORD of Massachusetts. And somebody is trying to take advantage of it (Finland) by using the Finland situation to get $100,000,000.

Mr. JONES. There is no reason for Finland to be mentioned in this bill at all. This is the same bill we came up here with last year.

Mr. WILLIAMS of Delaware. In other words, you need the $100,000,000 regardless of what has taken place in Finland.

Mr. JONES. Yes.

A little further in the hearings Mr. Jones makes a similar statement as recorded on page 35 of the hearings.

Miss SUMNER of Illinois. If the $100,000,000 is authorized Finland will get about $10,000,000. Is that correct?

Mr. JONES. Finland may get $20,000,000 or $10,000,000 or maybe $12,000,000 or $15,000,000. I want to make it plain I am not able to make a definite answer about that.

And on page 36 of the hearings I quote Mr. Jones again.

Miss SUMNER of Illinois. But we have to authorize $100,000,000 before you can make a $10,000,000 loan to Finland.

Mr. JONES. Well, I do not know about that definitely.

Miss SUMNER of Illinois. Did not I understand you to tell me yesterday that in order to make a $10,000,000 loan we would have to authorize $100,000,000?

Mr. JONES. I do not think the bill ought to be based on that assumption. I think if you do not want to pass this bill for general purposes, it should not be passed.

Anyone reading the above testimony will agree that someone is deliberately camouflaging the real issue here today at the expense of Finland. As previously stated, at nowhere in the bill is Finland mentioned. Mr. Jones, when appearing before the committee, and in his own words, states that no commitment of any of the sum of $100,000,000 has been made to Finland. Furthermore, by frequent use of the words "may" and "if" he refuses to even make a promise that a portion of this money will go to Finland.

Let us tear the mask from this bill, S. 3069, which has been erroneously labeled as the Finnish loan bill. As Mr. Jones has said, this bill is nothing more than a request for a New Deal agency to grab an additional $100,000,000 of the American taxpayers' money and disburse same at their own pleasure under the guise of aiding war-torn Finland.

My heart goes out to the stricken Finnish people, who are deserving of a humanitarian loan to aid them in their plight. This bill, however, is not providing definite aid to Finland but is merely a means by which the New Deal can snatch an additional $100,000,000 of the taxpayers' money while crying, "Let's aid Finland."

Mr. CRAWFORD. Mr. Chairman, I yield such time as he may desire to the gentleman from Michigan [Mr. HOFFMAN].

HE SEEKS OTHER WORLDS TO CONQUER

Mr. HOFFMAN. Mr. Chairman, convinced by the flattery of those whom he has raised to high positions and by his own self-esteem that he is the only individual in our 140,000,000 population competent to direct the destinies of our Nation, Franklin Roosevelt is now engaged, through the use of Federal funds and Federal patronage, in an effort to reelect himself President of the United States.

As the lifelong patriotic Democratic Senator from Virginia, CARTER GLASS, stated on the floor of the Senate on June 24, 1937:

The last election (meaning the election of 1936) was carried by people who were getting favors from the Government, people who were subsidized by the Government, people who were on relief rolls, and people who were sanctioning the invasion of private property and its occupation, as is being done now.

The consuming fires of his ambition have overcome any reluctance which the President might have had to accept the aid of the Communists, a party whose objective is the overthrow of our Government by force. President Roosevelt himself and his henchman, Murphy, received in their political campaigns, without protest, the aid of Earl Browder, head of the Communist Party. The President and Murphy broke with Browder and the Communists, on the surface at least, but they did this only after the activities of the Communists had been exposed by the Dies committee and the prosecution of Browder for criminal acts could no longer be delayed.

Today the President is using his great office to secure delegates who, in the Democratic National Convention, will do his bidding. It is not denied that he seeks to dominate that convention, to take the nomination for President for himself or to name his successor—all this on the theory that he, and he alone, can successfully perform the duties of a Chief Executive.

No man in the history of our country has done more to curtail the powers of Congress; to take over the legislative functions granted it under the Constitution. No man in the history of our country has so attempted to influence the judicial branch of our Government as has Roosevelt. He has followed the course of Hitler and has attempted, by usurping the functions of Congress and of the courts, to utterly change our form of government; to concentrate all power in the hands of the Executive—in his own hands.

He revealed his purpose when he said of his first administration that, in it, those who insisted upon government under the Constitution had met their match and that he hoped that of his second administration he could say that they had met their master.

He acknowledged that he stood in a position to destroy the liberty of our people when he stated:

In 34 months we have built up new instruments of public power. In the hands of a people's government this power is wholesome and proper. But in the hands of political puppets of an economic autocracy such power would provide shackles for the liberties of the people.

Of course, he wanted us all to understand that his motives and his desires were beyond question; that the arbitrary powers of a dictator placed in his hands would in no way destroy our liberty.

Time and time again he has told the people of this Nation that all those who opposed him were greedy, were selfish, without charity or kindliness, and lacked patriotism. He hails himself, and his followers hail him, as infallible. He has set himself, if not upon a throne, at least upon a pedestal, at which all should look not only with admiration but with the eyes of an idolater.

History teaches us that all dictators have attained their power by leading those who eventually became their subjects to believe that the program adopted and followed was a benign one; one in the interests of humanity; one whose only object was for good.

First in the name of the forgotten man; then for the purpose of serving humanity; now under the guise of an effort to establish world peace, Roosevelt has carried on his drive for absolute power.

Already one of his satellites has publicly declared that Roosevelt, the man, is the "symbol" of our democracy. For 150 years the Constitution has been our guide; our courts, our executive officers, our Congress, have been the symbols through which the Constitution was made a thing of life.

Even a Roosevelt must die; or are we, when the reign of this one is ended, to have so far yielded our independence that we shall accept with servility a "Jimmie"?

With 7 years of his administration behind him, facts—cold, indisputable facts—bring the realization that President Roosevelt has time and again violated his most solemn promises; the promises on which he secured his election to the office he holds. The record shows that he has not kept faith with the American people.

Although he told us, when a candidate for office, that the then depression was the problem of that day and that we must not borrow to meet it—that such a course would inevitably bring ruin and bankruptcy to us as a nation—he has for 7 years, without fail, created deficits, continued to borrow, and has without variation followed the course which he himself declared would wreck our Nation as a nation.

Not only has he brought us to the verge of financial ruin—and this in violation of every promise which he made—but he has created agencies and appointed to office men who have deliberately followed a course which has deprived a large group of our citizens of their rights under the Constitution.

I need cite but one law, one agency, to prove my point. The National Labor Relations Act, while purporting to give to workingmen the right to bargain collectively through representatives of their own choosing, was so drawn, and has been so interpreted and administered, that the highest Court of this land—the Supreme Court of the United States—has solemnly declared that under it employees may be deprived of the right to bargain collectively through representatives of their own choosing.

Under that act, as administered by the Board, men have been deprived of the right of free speech; and it yet remains to be seen whether the Supreme Court, a majority of whom now owe their appointment to the President, will sanction this violation of the Federal Constitution.

The disclosures before the Smith committee investigating the National Labor Relations Board and the operation of the National Labor Relations Act show that employers hailed before that Board have been denied the right to be confronted by the witnesses who gave evidence against them. They have been denied the right of cross-examination. They have been deprived of the opportunity to present witnesses in their own defense and cases in which they were involved have been decided by biased and prejudiced officials.

The objective of the Communists is the overthrow of this Government by force. As long ago as 1934, Bainbridge Colby, Wilson's Secretary of State, made the declaration that:

> It is openly charged, and indeed admitted, that a substantial number of the President's immediate advisers are not desirous of business revival, feeling that to prolong the depression will produce a better psychological background for the prosecution of their revolutionary designs. The overturn of our institutions, including the Constitution, is their avowed goal.

Earl Browder said:

> We industrial unionists are going to take over the factories some day for three very good reasons:
> 1. Because we need them.
> 2. Because we want them.
> 3. Because we have the power to get them.

Browder's drive, through his Communists in the C. I. O., to take over the industries of this country, was successful to a marked degree in the sit-down strikes beginning in Michigan in 1937. Browder's campaign has been carried on with not a little success by the President's friend and confidant, John L. Lewis, who was instrumental in making contributions to a fund for the President's election which totaled more than $1,700,000.

The charge of Colby has, by subsequent events, been shown to be true, and one who now views and weighs the facts can clearly see that the President has, by peaceful means, gone a long way in his campaign to overthrow our constitutional form of government.

Confronted by the failure of his domestic policies, fearful that the expenditure of millions—yes, billions—of dollars of Federal money will not purchase for him a renomination and an election, the President now seeks to involve himself in foreign affairs. Even new dealers are now complaining that, for the time being, the President has—we might say momentarily—ceased to aid them in their plan for "making America over" and is now looking for other worlds to conquer.

He has seen a Mussolini in Italy, a Hitler in Germany, and a Stalin in Russia all march forward to the spotlight, to the front of the stage of world affairs. Apparently consumed with envy and jealousy, not content to remain at home and exercise the arbitrary power which he has seized and which has been used to destroy the liberty of our citizens, he now seeks to range himself alongside the world's dictators, and, perchance, become the chief of the four. He has sent his envoy across the seas in the opening drive for a place in the tragedy now being played by those abroad who have successfully destroyed democracy in their respective countries.

While talking peace, expressing a desire to keep this country out of war, President Roosevelt has been guilty of provocative acts, the natural result of which would lead us into war. A failure at home, with a record which shows that he has no solution for our domestic problems, no regard for his promises, no concern for the future welfare of our children, he is now seeking to distract our attention from our homeland, to become entangled in foreign affairs, and to place himself in a position where, at our Nation's expense, he can be hailed as the peacemaker of the world.

It is time that Americans who love their country, who have faith in our form of government, as asked by Lincoln at Gettysburg, again dedicate themselves to the preservation of our liberties.

The thought which I have attempted to express you will find in an article by Arthur Sears Henning in the Chicago Tribune of February 26, and which is made a part hereof. That article reads as follows:

PRESIDENT SETS CAP FOR ROLE OF PEACE ARBITER—EYES THIRD TERM AS MEANS TO END

(By Arthur Sears Henning)

WASHINGTON, D. C., February 25.—President Roosevelt, it was learned today, has bared to several Democratic officials the ambition to become the pacificator of Europe and Asia either as President of the United States or as the appointee of his successor to represent America in the peace conference that will end the war.

Also, it was indicated to his confidants that if he should realize that ambition, and if there should evolve from the peace conference that widely discussed federation of the powers, Mr. Roosevelt would consider himself the logical choice for first president of the world.

These ambitions are now engrossing the interest and energies of the President to the subordination of the Presidential attention to domestic problems, according to leading new dealers, who are complaining that Mr. Roosevelt has abandoned their great program for "making America over."

THIRD TERM OR CONTROL

To attain these objectives it is essential that Mr. Roosevelt either get himself elected to a third term or get a successor elected who would appoint him chairman of the American delegation to the peace conference.

That his preference is to get a third term for himself is little doubted in official Washington, particularly in view of the encouragement given Democratic leaders by Mr. Roosevelt to enter his name in the Presidential primaries in numerous States.

Most significant is regarded the failure of the President to withdraw his name from the Illinois primary before the withdrawal dead line last night. No less significant is regarded the character of the President's evasiveness on the subject, particularly his statement that he knew nothing about the filing of his name in Illinois, accounts of which have filled the newspapers.

CONVERSATIONS BARE PLANS

The President's plans and ambitions have been divulged in conversations with Democratic officials and in several letters which are destined in due time to take their place in the historic record.

According to these accounts, Mr. Roosevelt sees himself as the dominant figure at the peace conference molding the peace structure of the world as did Prince Metternich at the Congress of Vienna after the downfall of Napoleon. In at least one conversation he mentioned Metternich as the statesman whose diplomacy he felt himself capable of equaling, nay, surpassing.

It was Metternich who went down in history as the chief architect of the balance of power established at Vienna that kept the peace of Europe for a hundred years. Mr. Roosevelt thinks he could devise a permanent peace.

DETERMINED TO HAVE HAND

On more than one occasion the President has said that he is determined to have a hand in the settlement of the European war. And his project is not confined to the continent of Europe. He believes that the pacification of Asia can be accomplished at the same time.

His confidants gathered from his remarks that Mr. Roosevelt conceives it to be his mission to employ the power of the United States to obstruct the subjugation of China by Japan until the European war shall end and Great Britain and France shall be free to come to the aid of China.

Then, as the President conceives it, the peace conference would be broadened to embrace the Asiatic war and Mr. Roosevelt, invoking the arts of Metternich, would manipulate a settlement forcing Japan to evacuate China.

RECALLS WILSON'S MISTAKES

In these conversations the President indicated his determination to avoid the mistakes of President Wilson in the negotiation of the Versailles Peace Treaty, which the United States Senate failed to ratify. Mr. Roosevelt would not make Mr. Wilson's mistake of excluding Senators from the peace delegation. He would include even Republican Senators.

Mr. Wilson's mistake of going to Europe himself while President as head of the American delegation also has been pondered by Mr. Roosevelt, who suggested that this difficulty might be obviated by electing Secretary of State Cordell Hull to the Presidency and by Mr. Hull's appointment of Mr. Roosevelt to head the American peace mission.

POINTS TO WELLES TOUR

To the officials who have received these confidences from the President there is nothing mysterious in his current moves in relation to the Presidential election and to peace in Europe. His dispatch of Under Secretary of State Sumner Welles to Europe to sound the powers on peace, his appointment of Myron Taylor to collaborate with Pope Pius on peace possibilities, and his initiation of conversations with neutral nations on the character of the peace are regarded as maneuvers to exploit Mr. Roosevelt as the logical world pacificator.

The inference then would be that it would be advisable for the United States to retain him at the helm or a person of his choice for the Presidency during the next 4 years.

NEUTRALS BARRED LAST TIME

Unless the United States enters the war Mr. Roosevelt cannot be assured of a hand in the peace. Neutrals did not take part in the Paris or any other peace conference. Europeans who blame Woodrow Wilson's visionary panaceas for the current war are voicing demands that America be kept out of the next war settlement.

Mr. Roosevelt, however, has set out to organize the neutrals to demand a voice in the peace. If that demand becomes sufficiently insistent, Mr. Roosevelt can look forward to a place at the peace conference, provided he or a President of his choice occupies the White House at the time.

Mr. CRAWFORD. Mr. Chairman, I yield such time as he may desire to the gentleman from Minnesota [Mr. PITTENGER].

Mr. PITTENGER. Mr. Chairman, I am in favor of aid for Finland, either by way of a loan or the supplying of materials, or whatever is necessary to help a republic that is fighting our battle—the battle of civilization against communism.

I think that the golden opportunity of the Republic of the United States to help the Republic of Finland is here. It was here, in fact, last October, when the brutal Russian hordes were on the boundary line of Finland. Now is the time to extend aid and not split hairs about it.

Mr. CRAWFORD. Mr. Chairman, I yield such time as he may desire to the gentleman from Minnesota [Mr. ALEXANDER].

Mr. ALEXANDER. Mr. Chairman, I ask unanimous consent to revise and extend my own remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Minnesota [Mr. ALEXANDER]?

There was no objection.

FOREIGN LOANS

Mr. ALEXANDER. Mr. Chairman, the proposition before us to increase the lending authority of the Export-Import Bank of Washington from $100,000,000 to $200,000,000 is, we must all realize, a complex and, therefore, a controversial matter. Having to do as it does with an increase of our loans among others, to not only China but also to Finland, both of which countries are in the throes of war as the result of an aggressive attack by military dictatorships, it is therefore necessary that we give the matter more than casual consideration. These two countries are probably the best friends we have among all the nations of the world, and for that reason, the heart and sympathy of America is with them in their hour of trouble.

To show the overwhelming sentiment in my section for the policy of extending the aid proposed in this bill for the Republic of Finland, I have added below the names and messages from many individuals, and from numerous organizations having several thousand members; all showing their favorable sentiment. I have also added at the bottom of the list messages from two groups, and three individuals, who are all the ones that have written me opposing the extension of aid to Finland.

Here are those who favor aid:

Hon. JOHN G. ALEXANDER,
Washington, D. C.:

By the action of the Sons of Norway Lodge of Bayport, Minn., we urge you to vote for the loan to Finland. We trust you to do all in your power to put this through.

Respectfully yours,

GEO. RAMSTAD, *President.*
PEDER EBRE, *Secretary.*

MINNEAPOLIS, MINN.

Freya Lodge No. 1, Daughters of Norway, with its 218 members, hereby earnestly appeal to you, to support the bill before Congress, extending loan to Finland.

Respectfully yours,

FREYA LODGE NO. 1, DAUGHTERS OF NORWAY,
By Mrs. T. A. SWAN, *President.*
Mrs. T. MOSLET, *Secretary.*

Vote in favor of a loan to Finland to be used as they see fit—for the purchase of munitions as well as foodstuffs.

G. S. WALL, *Minneapolis.*

Do everything in your power to make possible a loan to Finland.

M. A. DIXON.
F. JOHNSON.

This letter came from the following:

Hon. JOHN G. ALEXANDER.

DEAR SIR: Please support the issue for a loan to Finland.

Rev. R. H. Huffman, C. A. Betteridge, Karl H. Gustafson, A. W. Cameron, John J. Schuster, Catherine Mullen, Harley A. Miller, C. D. Tilton, A. S. Anderson.

MINNEAPOLIS, MINN.

I sincerely hope you will find it entirely consistent to support the loan to Finland, who has fulfilled their obligation in every respect and now needs the full support, both morally and financially, of all Christian people.

Thanking you very kindly for consideration given, I remain,

Yours very truly,

H. C. STROHM.

STOCKHOLM, WIS.

DEAR SIR: Until a couple of months ago I lived in Minnesota. In view of this fact, I take the liberty to write you and ask you pleadingly to do all you can to support the President's proposition to give a loan to Finland so that she can buy material by which to fight for her freedom and independence. If ever a nation was unjustly and brutally attacked by a giant neighbor, it has been poor Finland. She has put up a wonderful fight so far but must have help. We owe it to her as we owe it to defend a child attacked by a mad dog. If Finland is subdued, all the rest of the small nations will surely go the same way, and the small nations will be reduced to slavery by a few big, brutal powers like Russia. There-

fore, Mr. ALEXANDER, do all you can to give her the support she so sorely needs and deserves.

Sincerely yours,

Rev. H. GUSTAFSON.

MINNEAPOLIS, MINN.

In view of the apparent reluctance of Congress to consider the making of a loan to Finland, I thought you should know that this constituent favors the loan. Certainly the 1 nation out of 18 or so that respected its obligations to the United States stands in a class apart. I do not think the loan would seriously affect our neutral position; but even though it did, that should not prevent the making of it. In this particular matter I am in wholehearted agreement with the President's recommendation, and I hope very strongly that Congress will authorize the loan.

G. A. YOUNGQUIST.

A resolution for the purpose of expressing the sentiment of the Finnish people in the United States toward giving assistance to the Finnish Government by the United States of America and its people

Whereas the Finnish people in this vicinity and in the State of Minnesota are each and all related and are direct descendants of the Finnish people in Finland: Be it further

Resolved, That the Representatives of the people of the United States in Congress pass such laws as will make it possible for the Finnish Government to receive from the Government of the United States of America and from the people of the United States of America loans of money to be used in maintaining their Government.

FINNISH RELIEF COMMITTEE OF NEW YORK MILLS, MINN.,
ADOLPH LUNDQUIST, *Chairman*.
EYINAR E. RAULEY, *Secretary*.

The following telegrams were received:

Hon. JOHN G. ALEXANDER: I believe a loan should be granted Finland and hope you will exert your influence in its behalf; your constituents are 98 percent for this loan.

IVAR SIVERTSEN, M. D.

The Norwegian Memorial Church of Minneapolis, Minn., assembled for morning worship Sunday, February 18, instructed me by rising vote to wire you urging quick action in the passage of Finnish loan bill. Hundreds of American citizens thus voiced their approval that our United States help the fighting Finns.

ELIAS RASMUSSEN, *Pastor*.

Dover Lodge, Sons of Norway, sincerely request your support of a substantial loan to Finland.

JOHN WALSETH, *Secretary*.

Appreciate stand on neutrality but think Finland should have loan.

Rev. M. L. HALVORSEN.

Helping hand to Finland urge your support substantial loan Finland.

Dr. V. A. LUTTIO, *Chairman*.

We urge you to endorse and vote in favor of the loan to Finland.

NIDAROS LODGE, NO. 1, SONS OF NORWAY,
JOHN M. RENO, *Secretary*.

Vonheim Lodge, No. 108, Sons of Norway, Minneapolis, an organization of 300 members, have unanimously decided to request your support of loan to Finland.

KNUTE HAUGSETH, *President*.
ARNOLD IVERSON, *Secretary*.

Urge you support loan to Finland.

JACOB STEFFERUD.
T. M. THRONTVEIT.

We urge you support loan for Finland and whatever other support our neutrality laws will permit.

NORWEGIAN GLEE CLUB,
O. J. EIDE,
Corresponding Secretary.

The following oppose any loan to Finland:

Hon. JOHN G. ALEXANDER.

DEAR SIR: Please do anything possible to stop the sending of money to Mannerheim which will only get us into war. Please do the best possible.

Yours truly,

Miss ETHEL OLSON.
G. YOUNG.

DEAR REPRESENTATIVE ALEXANDER: Now that Congress is in session, I wish to take this means to discuss with you some of my convictions in regards to legislation. As the war in Europe is going on, it requires us to be constantly on our toes to see to it that our country is not involved. We must be strictly neutral by supporting or making any kind of loans to none, Finland included.

ALBERT OHMAN.

DEAR SIR: The Minneapolis Finnish Workers' Club, at its regular meeting, unanimously went on record protesting the granting of loans, through the United States Government, to any of the European nations, particularly the Finnish Government.

CARL WALDER, *Chairman*.
MATIAS E. HILL, *Secretary*.

DEAR SIR: The Ninth Ward Local of the Hennepin County Workers' Alliance unanimously places itself on record protesting the granting of loans by the United States Government to any European nations, particularly to Finland.

JAMES KING, *Chairman*.
I. L. MYKLEBURST, *Secretary*.

It seems to me that the sentiment of our section is thus clearly in favor of extending aid to Finland.

Mr. WILLIAMS of Missouri. Mr. Chairman, I yield 5 minutes to the gentleman from Oklahoma [Mr. MONRONEY].

Mr. MONRONEY. Mr. Chairman, we have a peculiar situation facing the House this afternoon in the opposition to the pending bill. Those who oppose the bill as reported by the committee make two points. In the first place, they state that the bill will not help Finland at all, and the second point is it will help Finland so much that it might involve us in an international situation.

I agree with my distinguished friend and colleague, the gentleman from Pennsylvania [Mr. ALLEN] when he spoke about the need of this country giving aid and help to Finland at this time. It is to the Members of the House who feel sympathetic toward Finland that I would like to address my remarks at this time.

I hate to see this matter delayed. I hate to see this bill, which will mean a loan of $20,000,000 to Finland for nonmilitary supplies and help, delayed through long weeks of legislative bickering. I am confident if the bill goes through in amended form, such as some of the Members have suggested, it will mean a long tie-up through legislative processes, and in the meantime the 4,000,000 people of Finland will bleed and die while they try to hold the line for democracy. I marvel at their bravery when I think of the fight that the Finns are making on the Karelian Isthmus, and I am sure almost every American feels the same way. When history is written on this great battle I would be satisfied, indeed, if we had sent $20,000,000 of American money into that conflict to help stem the wave of bolshevism and communism. If I thought it would do any good to amend this bill, if I thought it would help Finland any more, I would be willing to go along with those who want to amend it; but after reading the testimony and hearing the men who have spoken on this matter, after having read the Senate hearings, I am convinced this is the best way to give aid to Finland, and in a way that they need it the most—now.

Mr. BROWN of Georgia. Will the gentleman yield?

Mr. MONRONEY. I yield to the gentleman from Georgia.

Mr. BROWN of Georgia. Under the Fish amendment the loan would have to be made to Finland?

Mr. MONRONEY. Yes.

Mr. BROWN of Georgia. In other words, that would change the whole policy of the Export-Import Bank Act and also the Reconstruction Finance Corporation Act?

Mr. MONRONEY. Indeed it would.

Mr. BROWN of Georgia. In one instance there would not be any discretion and in connection with the rest of the money every discretion could be used?

Mr. MONRONEY. If amended, this bill would have to go to the other side of the Capitol, there to be debated all over again, and I fear aid would not be given to Finland in time for them to meet their pressing need insofar as supplies are concerned. Some Members have criticized the fact that the bill only provides for nonmilitary supplies. I took the occasion to call the Chief of Staff of the War Department to ask his offices just what percent of every dollar is necessary for implements of war, and he informed me that so far as the United States is concerned from 24 to 28 cents out of every dollar in time of war is used for implements of war.

The other 72 to 76 cents is for nonmilitary supplies. I asked if this figure varied materially insofar as foreign countries were concerned and was told it would probably go up to 33 cents out of every dollar for military weapons and about 66 cents out of every dollar for nonmilitary supplies.

A number of Members who oppose this bill say that Finland is not mentioned in the bill. I believe that is the proper way to bring in the bill. No country is mentioned in the bill. We leave it up to a lending agency to investigate and determine. No one heard any criticism when the $10,000,000 loan was first announced, and I do not believe there was a protest written to a single Member of the House against that $10,000,000 that was advanced by the Export-Import Bank.

[Here the gavel fell.]

Mr. WILLIAMS of Missouri. I yield the gentleman 3 additional minutes.

Mr. MONRONEY. Mr. Chairman, now that the $10,000,000 is practically used up and gone, we are merely trying to make possible another loan of $20,000,000 to Finland. I say it is our duty to do that. I do not believe that governmental policy would be best served by this Congress going on record as authorizing a direct loan to any foreign country, but we can turn it over to the regularly established institutions of this Government to handle.

It has been said by a number of men on the floor that Finland is not mentioned in this bill, and that we have no assurance that Finland will receive any aid whatsoever. The President sent us a message on January 16 in which he stated:

> There is without doubt in the United States a great desire for some action to assist Finland to finance the purchase of agricultural surpluses and manufactured products, not including implements of war. * * * It seems to me that the most reasonable approach would be action by the Congress authorizing an increase in the revolving credit fund of the Export-Import Bank and authorizing the Reconstruction Finance Corporation to purchase loans and securities from the Export-Import Bank to enable it to finance exportation of agricultural surpluses and manufactured products, not including implements of war.

Are you still afraid that Finland will not be considered for the $20,000,000? The Senate Committee on Foreign Affairs and the Senate Banking Committee heard testimony that virtually indicated a part of this loan would be used to help Finland. The Senate Banking Committee also heard that testimony; then the author of the bill appropriating and directing a $60,000,000 loan to Finland revised his bill and brought it out in this form. Still there are members who say that Finland will get no help whatever from the bill. We have heard this testimony in the committee and the members of our committee are satisfied that some help will be given Finland under the terms of this bill in a proper, judicious manner.

[Here the gavel fell.]

Mr. CRAWFORD. Mr. Chairman, I yield such time as he may desire to the gentleman from Ohio [Mr. SECREST].

Mr. SECREST. Mr. Chairman, I ask unanimous consent to revise and extend my own remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Ohio [Mr. SECREST]?

There was no objection.

Mr. SECREST. Mr. Chairman, not many weeks ago the peace-loving peoples of the world were stirred with resentment by the aggression of Russia's powerful belligerent dictatorship against the small, peaceful nation of Finland. This kind of aggression was not new, for we had seen the same thing happen in China, in Abyssinia, in Austria, in Poland, and in Czechoslovakia.

Our American sense of right and justice was shocked by each of these barbarous and bloody acts. But when sprawling and mighty Russia's Stalinese gangsters began to bombard and shell the borders of our friendly and debt-paying sister democracy, Finland, American indignation swept to a peak of condemnation of the unprovoked attack. Every cherished ideal of American liberty and fairness was at stake and a sentiment of sympathy filled our country with the desire to aid our neighbor. Because of this sentiment, we are today debating a proposal to aid Finland by lending her $20,000,000 for nonmilitary purchases.

But it is time that this Nation examine its methods of helpfulness. By our acts, this Nation is not a friend of peaceful nations ruthlessly attacked but is becoming a partner in the crime of death and destruction.

We are a friend of China. The springs of private charity flowed to relieve suffering millions. Our Nation made much-needed loans to the Chinese Government. We sympathized with her in her tribulation and extended our hand in help. But with the other hand we were aiding her aggressor Japan with the absolutely essential trade to sustain its war machine in its campaign of indiscriminate slaughter. We have been a party to this grinding of a nation of 400,000,000 humans to dust and abject slavery.

This country is Japan's only source of material for the prosecution of her war. Other nations either will not sell or have nothing to sell that they do not need themselves. Japan depends almost entirely on America for her iron, steel, trucks, copper, lumber, alloys, leather, and gasoline. In November, the largest shipment of high-octane aviation gasoline in 2 years, nearly 2,000,000 gallons in one vessel, left our shores for Japan.

We aid the Chinese by loans and donations. On the other hand, we buy Japan's silk, glassware, pottery, cotton goods, and American flags and trade her planes to bomb the Chinese, gasoline to fly the planes, copper for munitions, and scrap iron that later becomes bloody shrapnel.

We now propose to aid Finland by lending her $20,000,000 to be used for nonmilitary purchases. Such a proposal is a sham and a gesture just as has been our aid to China.

Beyond doubt, Finland can use food, clothing, and nonmilitary supplies but any American, through the Red Cross, can donate money for these purposes now if he cares to do so. This bill is not the way to help Finland. The only way is to stop sending war material to Russia. A small army like Finland's, no matter how well supplied, prepared, and positioned, cannot withstand the tremendous odds of manpower, plus American airplanes, machine guns, and ammunition. With no reserves they may hold their lines in battles of 6 or 8 days' duration, but they must give ground from sheer exhaustion when faced by a dictator who values human life less than a hair from his grizzled head and whose hordes are driven on endlessly for 10, 12, or 15 days over the grist of comrades' bones.

As long as Russia can get supplies for her enormous Army, Finland cannot hope to win no matter how well she may be supplied unless she has additional men. We cannot give Finland such aid but we can still help, and help her effectively.

Only recently there was made public part of a report by the French military intelligence on the real military strength of Russia. This report reveals that under its impressive surface appearance, Russia's war machine is a chaos of incompetence. Aside from the fact that purges have taken from service nearly every able military scientist, Russia's industrial plant is ill-managed, ill-manned, and lags far behind in the production of such war essentials as iron, steel, electric power, and fuels. Much of her war equipment is mechanically imperfect.

Russia knows this fact and is following the example of Japan by turning to the United States where war supplies can be bought since the Neutrality Act was amended, contrary to my conviction and vote. In the last few months we have become Red Russia's No. 1 source of war materials. Fifty percent of the total United States exports to Russia last year left our shores in the last 4 months of the year while Russia was preparing her attack on Finland. Ninety percent of these Russian purchases consisted of tools, machinery, and materials vitally necessary in wartime. Nearly all shipments to Russia in January consisted of copper and metal-working machinery. Commerce figures show that all the gasoline purchases made by Russia in 1939 were made in the last 3 months of the year. During 1939 we sold Russia airplanes, airplane engines, and airplane parts.

We are supplying the credit in America for these purchases in buying gold at $35 an ounce which is produced there for $11 an ounce. In 1939 the United States purchased $50,000,000 worth of Russian gold. Early this month a direct shipment of gold from Russia reached the west coast. We paid Russia $5,500,000 for this single shipment. Russia buys war necessities here with those dollars to fight the Finnish people we propose to aid today. We propose to help Finland as we have helped the Chinese. We are proposing to continue the policy of buying goods and gold so that the aggressor nations may purchase war materials while Uncle Sam lends money to the oppressed.

We have not aided China by working both sides of the street, and if we wish to aid Finland we cannot be guilty of the same reprehensible practice. The real help that we can give both China and Finland is to stop further trade in war materials with both nations. That is the one and only effective way to help.

Without access to our markets, Japan's war machine will be hopelessly crippled in a short time. Likewise, denying Russia access to our materials will aid the Finns immeasurably more than a loan for nonmilitary purchases.

When I support such a loan, the buying of Russian gold must be stopped, and Japan must be prohibited from dumping pottery and trinkets on the American market, which constantly adds to our army of unemployed. I will not be guilty of a pretense of feeding and clothing the hungry and naked and at the same time furnishing their enemies with the implements of slaughter.

Furthermore, I do not believe we should increase the lending authority of the Export-Import Bank $100,000,000, when, by the terms of the act, we limit any possible loan to Finland to $20,000,000.

Mr. CRAWFORD. Mr. Chairman, I yield 10 minutes to the gentleman from Connecticut [Mr. AUSTIN].

Mr. AUSTIN. Mr. Chairman, it occurs to me that this is the time and this is the place where remarks having to do with our consideration of Finland are in order. I am well aware that in a four-hour debate on a restricted subject there can be little but reiteration. However, an attempt to define, to clarify, may not be amiss. It further occurs to me that discussion of this subject with finality without the evidence before us and without the support of the hearings could be premature. The title of this bill, as the title of many others considered during my short stay here, is deceptive. There is no one in this House that does not recognize the fact that this bill has two intentions. The first is to afford financial credit to Finland, and the second is, under the guise of this financial support to Finland, to increase the capital of the Export-Import Bank for purposes not divulged in the bill and in extension of previous unsuccessful attempts. The deception comes in the fact that the title of this bill does not carry with it a plain, unmistakable intent. The question naturally arises whether the lateness of the hour at which the reports of hearings were made available to the Members is not evidence along this same line. A clear-cut definition of the bill's aim would aid you and me in coming to a decision as to the wisdom of the purpose in view. There then would be no possibility of Members being confronted later on with a charge of inability to maintain a consistent position. This would be apparent if some of us vote for this bill who opposed the previous neutrality bill in the fall of last year. In order to be consistent it is necessary to present a few fundamentals.

At the time of our consideration of the neutrality bill, rejoicing in that pseudonym instead of a truthful title of intervention, England, France, and Germany were "legally at war," even as our interpretation of "legally at war" is applicable. The purpose of that bill was to intervene in an existing war by giving to England and France the opportunity of purchasing arms and munitions of war in this country—it is true for cash and by transportation in their own vessels. It was a purely out and out intervention bill, because it was passed at a time when a state of war did exist between the Allies on the one hand and Germany on the other. Further provisions of that bill regulated our commercial intercourse with those countries because of a declaration by the President that a state of war existed between them. Such a declaration was made. Those of us who voted against that neutrality bill—I think in great part—voted against it because it was a bill carrying deceit on the face of it.

The motivating or evasive purpose in the passage of Senate bill 3069 is to furnish aid to Finland. Whatever our position may have been on the neutrality bill inconsistencies cannot be charged against us, for now we are playing the game according to the new rules. The law is explicit in its implications, and we are perfectly at liberty to conduct ourselves as we please in reference to nations in Europe not declared belligerent by the President or by the Congress or by themselves. There is no war between Russia and Finland. Laugh it off if you will, but, according to our Neutrality Act and because of the silence of our President there is no existing state of war between Russia and Finland, and for that reason no restrictions can be placed upon our commercial intercourse with either one of those nations. I await with interest an explanation by some Member of this House which will convince me that Finland legally, insofar as purchase of arms for cash is concerned, is in any other position than is Italy. Because of all this we are privileged to take a position whereby we can be of financial assistance to Finland. We may not agree with the rules which have been laid down and adopted, but that is the rule which now governs our actions and is the law of the land. What are we trying to do anyway? We are trying to get some money to Finland, but this money has a string on it, and the string is that the use of this money is restricted to the purchase of materials from this country that are of no practical use to Finland in her emergency. What Finland is trying to do is to repel a ruthless invasion, and she needs money to purchase arms for this purpose. If our intent is humanitarian, and we hope to relieve dire suffering in that country either now or in the future, why have we not been, and why are we not now, more materially solicitous about the distressed populations of Poland and Czechoslovakia? Let us be frank about this thing. We want to aid Finland and we want to aid Finland by arms and munitions of war.

The method of procedure outlined in this bill is to increase the lending authority of the Export-Import Bank of Washington by $100,000,000. What you and I are trying to do is to make it possible to put to the credit of Finland at this time $20,000,000. I want somebody to tell me, if that is your intent and my intent, why this bill calls for $100,000,000, and for what purposes are the remaining $80,000,000 intended. When we remember that the loans of this bank are available to stimulate commerce, one naturally wonders what commerce exists between Finland and this country to be stimulated. Regulations of the Export-Import Bank, according to Mr. Jones, frown upon any loan where there is no certainty of return. If we pass this bill exactly as it is, there is absolutely no certainty that the $20,000,000 intended for Finland will be allocated or earmarked for Finland. In the report from the Committee on Banking and Currency of this House the following statement is made:

> Under the provisions of the reported bill the Export-Import Bank may make an additional loan to the Republic of Finland in the aggregate amount of $20,000,000.

Do not let that "may" escape your attention. There is nothing definitive, there is nothing authoritative. There is potentiality only. In answer to a question as brought out by the hearings, Mr. Jones said that the Export-Import Bank would consider this $100,000,000 as intended for general use.

Before we allocate $20,000,000 to Finland a brief survey of her situation in the family of nations today is essential. Legally or otherwise Finland is engaged in a life or death struggle with an antagonist who through sheer weight of numbers is bound ultimately to triumph. Her apparently victorious career of the last two months is destined to be a transient one. The need of Finland today is not for agricultural implements, food, and raw products—materials which are allowed by the President's pronouncement, and fall within the proviso in the bill that the Export-Import

Bank of Washington shall not make any loans for the purchase of any articles listed as arms, ammunition, or implements of war by the President of the United States and so forth. What Finland needs today is just those articles which are forbidden, but the paramount need of Finland is men. If her noble army is picked off 50 to 100 men a day where are their reserves? This question is pertinent particularly in view of the fact that her men of 45 have now been called to the colors. The manpower which can preserve Finland from the fate of other victims of totalitarianism must come from England and France or her neighbors. These men are not coming from the United States of America. No matter how much we may applaud the splendid sacrifices, common sense sees the end of Finland, and the $20,000,000 under contemplation will be as fleeting in their effect as a drop of water to a man dying of thirst.

In an attempt to solve a problem of this kind there is no place for sentiment. Certainly Finland has been honest and honorable with us in her debt relationship. Certainly she is a bulwark standing against the foes of liberty, democracy, and religion. Certainly the valor and fortitude of her courageous sons have thrilled an astonished world. But our duty as representing 130,000,000 people is to attempt to interpret the real situation, to separate hysteria from the ordinary principles of government, to bring to the problem an application of judgment and sound sense. The heart of our country may be willing, but the brain of our country must, if it analyze carefully, say "No." A difficult situation, of course, because our desks have been covered with demands that we aid Finland, but the great majority of those demands end up with some expression as this, "Keep us out of war." In the chaotic condition of thought, in the apparent failure of our fellow citizens to look at this problem actuated only by hard and cold common sense, our job is to translate the best of the country's thought into reasonable, effective, and nonparticipating action. No man may foretell the consequence of what we may do today. Perhaps damned if we do and damned if we do not. Are our constituents prepared for what may follow? What will be the attitude of this country if after we pass this bill the newspapers flash day after tomorrow that Russia has broken diplomatic relations with this country? What will be the attitude of our people if two days later Germany, Russia's ally, breaks off diplomatic relations with this country? Are you and they prepared to meet this issue? Such an eventuality would really mean nothing, because Russia and Germany, singly or combined, against this country would be only another evidence of their madness. It would not mean war. Should Finland be able, I cannot say because of the $20,000,000 which we might afford her, to carry on and should she need more than $20,000,000 to carry on longer, does she get it? In this very emergent dilemma we are confronted with the fact that we have not a President who is a leader in the issue. He has hedged; he has attempted to shift responsibility; he will not come out flatly with a definite foreign policy. So this Congress must assume that task for the country with a certain assurance that we may be obliged to follow through.

If this bill passes, and if there be allocated to Finland $20,000,000, and if Finland by barter is able to exchange what she is allowed to purchase from us for military supplies from other countries, are we to continue to allow Russia to buy for cash, because she cannot get on credit, any war materials she may desire from this country? If there can be any more absurd situation than this, or if there can be a more striking paradox, tell me what it is.

Mr. Jones in his testimony before the Banking Committee of this House stated a loan by us to Finland will not make us unneutral, but also will not stop the war—legally nonexistent, but actually existent—between Russia and Finland. Hence, there are certain conclusions to be drawn. Without doubt, the sentiment of this House is to aid Finland insofar as we can. By the same token the almost unanimous sentiment of the country is to the same end. I am positive that a bill, striking straight from the shoulder, that authorized a $20,000,000 credit to Finland would pass this House without serious opposition; but such a bill has not been presented. Only a circuitous method seems available, and those of us who want to help Finland must willy-nilly vote for this bill. It may be possible through amendment to provide definitely for Finland instead of allowing the Export-Import Bank to add it to its general credit system. This will do absolutely no good unless at the same time exportation to Russia by any person, corporation, association in this country of implements of war be forbidden. The passage of such an amendment as just mentioned, and the restriction of exportation of arms to Russia—an amendment to which end I may offer—would strip all of the deceit from the title of this bill and would bring out in the open exactly what we are trying to do. Under these conditions it seems to me that in response to almost universal request we must pass this bill, preferably so amended that the intent of our people may be carried out and our purpose made unmistakably clear. [Applause.]

Mr. CRAWFORD. Mr. Chairman, I yield such time as he may desire to the gentleman from Ohio [Mr. SECCOMBE].

Mr. SECCOMBE. Mr. Chairman, I ask unanimous consent to insert at this point in the RECORD the remarks of my colleague the gentleman from Ohio [Mr. BENDER], who is ill.

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

There was no objection.

The remarks referred to follow:

Mr. BENDER. Mr. Chairman, the people of our Nation have found themselves in serious dilemmas on international affairs before. We have rarely floundered in more troubled waters than those which surround us today.

I have found no one in my native State of Ohio in sympathy with Russia. We are all fervently hoping that somehow little Finland will be able to accomplish the miracle of the twentieth century. Everyone I know is hoping against hope that one of the smallest nations in the world will stand up and whip the daylights out of the biggest. It is another story of David and Goliath, but the outcome does not promise to be so satisfying.

For those people who insist upon classifications, who want their Representatives neatly pigeon-holed as either "internationalists" or "isolationists," I have always been listed as a traditional "isolationist." All my life I have been influenced by the thinking of such leaders as our late great Senator Borah.

But this time I cannot remain in the ranks of the objective, dispassionate observer.

Finland, one of the few remaining states of the world which cherish democratic ideals, has been ruthlessly attacked by an aggressive, despotic dictatorship. I join the people of America in refusing to swallow the absurd theory of self-defense against a potential invader which Stalin has foisted upon the guillible readers of the Daily Worker. Russia has done in Finland precisely what Japan has done in China. A month ago, Stalin set up in Finland a puppet state, ruled by Communists. He has "recognized" this clique of old Bolsheviks as the "rightful" government of the Finnish people. This is no defensive technique. It is the same kind of blatant imperialism which we can no longer stomach if the world is to be saved from future devastation.

We Americans cannot in honor and morality sit calmly by while one of the most honorable, decent, and deserving nations of the earth is ruthlessly exterminated. We are not asked to contribute men. Finland has proven that she has men. Finland is ready and willing to fight its own battle. It asks for no military intervention. All it needs from our Nation is money. Thousands of men and women, rich and poor, have contributed their private funds to the Finnish cause. They have given of themselves. Our Government is not asked to give. We are asked to lend. We are asked to lend to the only people in the world who have consistently and honestly attempted to live up to their obligations to us.

I say, "Let's stop this juggling." Either we are in smypathy with Finland or we are not. If we are, the Finnish people need more than our tears. They need some help—and they

need it now. If we who are the wealthiest nation in the world, if we who are the greatest democracy on earth, refuse to aid this brave nation, to whom shall Finland turn for help?

If that help does not arrive soon, it will be too late to send it at all. I urge that we act immediately, if we are not to bear the eternal shame of deserting the ideals for which we stand in the hour of their greatest trial.

Mr. CRAWFORD. Mr. Chairman, I yield 5 minutes to the gentleman from Wisconsin [Mr. JOHNS].

Mr. JOHNS. Mr. Chairman, when a similar bill was up for consideration before in this Congress giving power to extend the lending authority of this bank I opposed it because I saw at that time just what is transpiring here today. We have said a good deal about Finland's getting some money here today, but if you read the testimony in the hearings you will find that Finland could have this $20,000,000 without this bill having been brought in here at all. Mr. Jones says there is money there to make a loan to Finland, but someone would have to take some responsibility. The President of the United States and Mr. Jones would have to take some responsibility for making this loan. What they have done is to shift it over to the Congress, with the idea that we should take the responsibility for this loan in case anything happens to this country to get us into war, and also with the idea of getting the additional $80,000,000 that they could not get last year. That is about what this amounts to, stripped of the mask around it.

I am opposed to this bill for numerous reasons. First of all, $20,000,000 would not save any nation, even one the size of Finland, with the power of Russia against it. In the second place, we would have to borrow this money if we loaned it to Finland, or at least a large part of it. We now owe $43,000,000,000, or approximately that amount. We have run in debt at the rate of over $10,000,000 a day since we started this fiscal year. We have spent over $25,000,000 a day during that period of time.

We have 9,000,000 unemployed in this country, and many of them are suffering and need help. It seems to me this would be a pretty good time to think about the 9,000,000 people in this country who are unemployed and to take care of them at this time.

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

Mr. JOHNS. I yield to the gentleman from Wisconsin.

Mr. HAWKS. No one has pointed out how much money it takes to conduct a war for even 1 day. How far would $20,000,000 go in conducting a modern war? It would not go even 1 day.

Mr. JOHNS. That is what I say, $20,000,000 would not help anybody, even a nation the size of Finland, which has about 4,000,000 inhabitants.

If we could believe the morning papers, Finland at this time has an agent in this country buying war materials. Of course, if they could get this money, if Mr. Jones would lend it to them, which he does not say he will, and, if so, not for buying war materials, they might spend it in this country for that purpose. I am in favor, of course, of every individual's contributing to help Finland if he possibly can. I went so far as to introduce here in Congress a bill providing that an individual might make a deduction in connection with his income tax for such a contribution, in the same percentage that he does on gifts to charities and churches, and for other purposes, at the present time.

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

Mr. JOHNS. I yield to the gentleman from Texas.

Mr. SOUTH. The gentleman represents an agricultural district in part, I believe. The gentleman does not object to the purchase of farm products to feed and clothe the Finns, rather than the purchase of war materials with which to fight?

Mr. JOHNS. I am very glad the gentleman asked me that question, because this is what has happened with the Export-Import Bank. We have imported into this country, as the gentleman knows, millions of dollars' worth of agricultural products. We exported to the South American countries agricultural implements to the extent of $69,000,000, so that they might raise more of these farm products with cheap labor and ship them into this country, and we loaned them a good deal of the money with which to buy these implements, yet we have exported only about $2,000,000 worth; so as far as helping the farmers of this country or Finland are concerned, I say this loan will not make much difference, because neither will see but little of the money if the loan is ever made.

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

Mr. JOHNS. I yield to the gentleman from Michigan.

Mr. CRAWFORD. I should like to point out that when this bill was under consideration last summer Secretary of Agriculture Wallace gave us strictly to understand that we should not expect this money to be limited to loans that did not bring competitive agricultural products into this country. He took the position that loans of that kind could be made, and that position has been sustained since then and is confirmed in the hearings.

Mr. JOHNS. No question about it.

Mr. CRAWFORD. The money can be used to facilitate imports of competitive agricultural products.

Mr. JOHNS. It has been.

Mr. CRAWFORD. What some administrator may say has nothing particularly to do with it, because the law permits it to be done.

Mr. JOHNS. Not only that, but it opens the field here to loaning money to every foreign country to which you might wish to loan it, and just increase it all the time. When this war is over we will be holding the bag, just as we were at the end of the last one and have been ever since, but probably not quite so bad, because so many of these foreign countries are owing us money now that we cannot loan them any more. [Applause.]

[Here the gavel fell.]

Mr. WILLIAMS of Missouri. Mr. Chairman, I yield to the gentleman from Minnesota [Mr. BUCKLER] such time as he may desire.

Mr. BUCKLER of Minnesota. Mr. Chairman, I have made the statement on the floor of this House that I will never vote to send our American boys to Europe to fight. I believe that perhaps 95 percent of the American people feel the same way about it as I do.

When Congress convened January 3, I fully expected that we would appropriate at least $30,000,000 for the Finnish people to buy guns and airplanes to protect their country and their lives. But almost 2 months have passed by and we have done practically nothing.

Some say that we do not want to violate the neutrality law. You are not violating the neutrality law when you loan Finland money, because Russia has never declared war on Finland. The Communists of Russia have entered Finland like a thief that enters your home. They have murdered women and children by the thousands and are still at it.

We should have loaned them money 2 months ago to stop this murder. I intend to vote for this bill which would provide food and clothing for the Finnish people. I wonder what good it will do if you wait until they are all murdered. The Finnish people are fighting for their homes, for democracy, and Christianity. They are fighting against an outlaw nation whose leaders do not believe in God and who have sent money to most every nation, including the United States, to set up an organization with the intention of controlling the world. If they are not stopped in Finland now, some day we may have to fight them alone.

It is America's duty to help Finland now, before it is too late. Finland is sacrificing all she has in order that civilization may not perish from this world. The Finnish people have the greatest faith in America. In this hour of her greatest need she has turned to us for help. Are we going to desert little Finland now? We have in the past sold war materials, airplanes, aviation gasoline to her blood-thirsty aggressor, Dictator Stalin. We should not hesitate now to help Finland with money and materials.

The longer we delay the more pleased will be the Communists of Russia and their dictator. The American people, according to the words of President Roosevelt, are about 98 percent in support of little Finland. Why does Congress hesitate, and why has there been so much delay in the approval of a little bit of help for Finland? We must remember that sympathy alone will not help Finland save its nation. Finland needs financial help immediately, and it would be un-American and an act of ingratitude to the Finnish people, as Finland is the only country that paid the United States its honest debts.

What is the use of spending money to investigate un-American activities if we do not practice Americanism and democracy now? If Finland goes down in defeat—and it certainly will without outside assistance—Stalin will be well on the way to ruling all of Europe. I think we should help Finland at once.

While I am in sympathy and want to help the Finnish people, I am fully aware of our own serious problems at home. There are millions of unemployed; there are millions of needy and distressed on relief; thousands of farmers are losing their homes; millions of them do not receive enough to live decently. In view of this situation in our own country, we might hesitate in loaning to Finland if we were without resources. But we have eighteen billions in gold buried in Kentucky. There is plenty of money to take care of our farm problem, our needy, and our unemployed, if there is a will to do so.

I hope the Members of Congress will also help our own people, and they can if they will only do it, since we have plenty of money and plenty of resources and plenty of everything.

Virtually all of the people of my own district, the Ninth of Minnesota, are supporting the drive for Finnish relief, and they also are favorable to this loan to Finland.

Mr. WILLIAMS of Missouri. Mr. Chairman, I yield to the gentleman from Pennsylvania [Mr. FADDIS] such time as he may desire.

Mr. FADDIS. Mr. Chairman, by their heroic efforts to preserve their independence, the Finns have earned the admiration of the liberty-loving peoples of the world. Against overwhelming odds and superior matériel they have waged a fight which has been, and still is, one of the outstanding feats of military achievement of all times. From the first it seemed as though it would be utterly impossible and only a futile gesture to attempt to even delay the hordes of communistic conscripts which were hurled upon them. Their almost superhuman resistance thus far proves to what heights of heroism and sacrifice a liberty-loving people will rise in defense of their homeland.

Their invasion is but the first step toward fastening upon the world by force of arms the ideology of the hammer and sickle, which the International Communist Party has failed to fasten by infiltration.

Other nations in the path of this "red" colossus are stupefied by terror. They have not engaged in war for so many generations that the instinct of self-preservation is dormant. They have not dared to strike a blow even while they have the advantage of the full strength of the Finnish spearhead. Helpless in their servile panic, they can only gaze in terror-stricken awe at their inevitable defeat in detail and ultimate doom unless outside influences interfere to effect their salvation. Forgotten are their days of martial might. Faded are their national ideals. Fear has replaced reason. Sapped and softened by wealth and security furnished by others, impregnated by unsound pacifism, their national impotence makes them a fair target for international imposition. The other Scandinavian nations seem to prefer subjection and slavery to timely self-defense.

Valiant Finland, however, is not of this mind. They won their independence on the battlefield at a date not so far distant but that the event is still fresh in their minds. They know from bitter experience that there are calamities far worse than war and that national slavery is one of these. They know that there are "certain inalienable rights," among which are "life, liberty, and the pursuit of happiness," which are worth fighting for. They know that without freedom of speech, freedom of the press, and freedom of religion life would not be worth living. In defense of western civilization, Christianity, and democracy they have dared to appeal their cause to the god of battles. Is there anyone here who will say that in this crisis they do not deserve assistance?

Some may argue that we are too late in this our meager contribution to the cause of Christianity and democracy. No one at this time can say whether or not this be true. The Finns have been resisting invasion with nature fighting for the invaders. Finland is a land of lakes and swamps and bogs. At the present time ice has turned the entire nation into one vast highway, favorable for the transportation of supplies, troops, and matériel. With the coming of spring the country will change into a vast morass, which will constitute a barrier against any except very light vehicles. Each isthmus between the lakes will be a bottleneck, where the strength of the defenders will be multiplied and the defense facilitated. The knowledge of the country and terrain, the interior lines of communication, and the handicaps placed on the enemy will all operate to the advantage of the Finns. By the time the country is once more accessible to heavy transportation it is quite likely that the attention of the invading hordes will be attracted elsewhere.

The question is: Shall we loan Finland money; and if so, how shall we make the loan? Some wish to loan it so it can only be used for the purchase of so-called nonmilitary supplies. This would be impossible. Today any essential supply is a munition of war—food, clothing, medicine—they are as much a part of a plan of blockade as are guns, shells, powder, or bombs. If we intend to assist Finland, let us give her the choice of whatever material assistance she needs. We are a powerful Nation. We believe in the cause of justice, both national and international. Can it be said of us that we dare not do what we believe to be right? If we make an unrestricted loan to Finland, we are violating no law of our own. Russia herself has said she is not at war with Finland. She is only going into Finland on a peaceful mission to assist the Finns to police their nation, so to speak. Let us also assist the Finns to police their nation.

The contention that an unrestricted loan to Finland would be objectionable to Russia is a curious one, to say the least. What scruples has the Soviet Government ever observed in their dealings with us? Have they kept any of their promises made when we resumed diplomatic relations with them? They have violated their pledges to us as they have violated their pledges to all of the world, including their own people. Have they not violated their pledged word and in every conceivable manner attempted to undermine our institutions and form of government? What, I ask you, do we owe to Soviet Russia? What psychology influences those who attempt to defend her cowardly and dastardly attack on Finland, or her insidious attempt to inoculate this Nation with communism?

In Europe today two schools of thought are locked in mortal combat. Totalitarianism is endeavoring to crush democracy and impose its will and institutions upon the rest of the world. Democracy is endeavoring to defend its institutions and its rights to survive. The outcome of this war will determine what kind of world we will live in in the future. We cannot ignore the fact that we are vitally concerned in the ultimate result of this struggle. Let us rise to this occasion and exercise one of our perfectly legitimate national functions by making the Finns an unrestricted loan according to the dictates of our conscience and regardless of the wishes of a nation which has no knowledge of truth, honor, democracy, or Christianity.

By virtue of the timely assistance which we received from France in that dark hour of our history when we were struggling to achieve our independence; by virtue of all we owe to the ideals of justice, democracy, humanity, and Christianity let us give something more tangible than mere sympathy upon this occasion. Let us extend an unrestricted loan to this courageous, heroic nation which observes its international obligations. [Applause.]

Mr. WILLIAMS of Missouri. Mr. Chairman, I yield 5 minutes to the gentleman from Michigan [Mr. HOOK].

Mr. HOOK. Mr. Chairman——

Mr. CRAWFORD. Mr. Chairman, I make the point of order there is not a quorum present.

The CHAIRMAN. The Chair will count. [After counting.] One hundred and one Members are present, a quorum.

Mr. HOOK. Mr. Chairman, I have a smile of satisfaction on my face this afternoon because of the fact that way back in 1935, before most of the Members of this House even realized there was such a nationality as Finns in the United States, I introduced a bill for the erection of a legation building at Helsinki, Finland, and at that time stated to this House the fact that the Finnish Nation was the only nation that had paid her debts to the United States. I spoke about the characteristics of the Finns—their loyalty to integrity, their democratic spirit, and their peace-loving qualities.

Then following that I had the satisfaction of suggesting that Finland be invited to participate in the Delaware Tercentennary. I refer you to my speech of August 21, 1937. I went into the history of the Finnish people and showed where, 138 years before the Declaration of Independence, the Finns were helping to settle this Nation, and then on October 16 of this year I addressed this House and advised Russia that any overt act toward that stalwart little democracy of Finland on her part might arouse the emotions of the American people to such an extent that aid would be given to that little democratic country by the United States because of the demand of the people. That time has come.

Yes; it has been a fight with me from the very beginning on behalf of recognition of that great and stalwart republic, and on the 3d of January of this year I introduced in the Congress a bill for an unrestricted loan of $60,000,000 to Finland. Let us go into the history of this thing. What happened after that bill was introduced? I went over to the other side of this Capitol and arranged with a Senator, the author of this bill, to introduce a bill that has finally ended in the form that it comes here on the floor. He introduced a bill for an increase in the authority of the Reconstruction Finance Corporation of $60,000,000 and an unrestricted loan at my request after a lengthy conference. There is no doubt that we can extend such a loan to Finland without any breach of neutrality.

I still have hopes we may authorize an unrestricted loan of $60,000,000 to Finland, but we must be practical in this matter. An amendment that would add $60,000,000 to this bill or an amendment that would definitely change this bill to such an extent that it would have to necessarily go back to the Senate; I do not believe that such an amendment would throw it into conference. If this bill would be forced into conference, it would be of no use to the nation of Finland because they need help now.

Yes; there are those who can say, "I want a direct loan," or "I want to help Finland," or "I want to help her stop the communistic hordes of Russia, but I cannot go for this measure." I say that I am going to vote for any bill that will aid Finland in her time of need. I care not whether it is restricted or unrestricted. This bill will aid to a degree because she can buy many things that will help her; and what are they? Let me read what Senator BROWN, of Michigan, has to say—and I agree with him:

> The important needs of the army are divided into four classes—transportation, foods and medicines, general supplies, shelter, and personal equipment. In transportation the army needs horses, mules, harnesses, saddles, wagons, railroad engines, rolling stock, motortrucks, automobiles, and, most important, oil and gasoline. You must remember that transportation in Finland is largely by water. They have 2,500 miles of interior water navigation; motorboats, rowboats, pontoons, steel for bridges are all needed and may be purchased under this bill. In communication there is telephone and radio equipment. In the line of foods and medicines there are all foods, including forage for the horses and mules, hay, oats, etc. There are first-aid kits, splints, surgical instruments, medicines of all kinds. In shelter and personal individual equipment, canvas tents, blankets, sleeping bags, mittens, socks, shoes, boots, earmuffs, all clothing, civilian gas masks, binoculars, parachutes—all of which may be purchased in the United States under this bill. Finally, in the line of general supplies, there are searchlights, which are badly needed for the spotting of airplanes, sound detectors, barbed wire, which is most valuable for defensive purposes, and many other articles too numerous to mention. All of these things not only may be purchased but they are essential, and their supply under this bill will leave funds and credits which the Finns have with other nations available for the purchase of shot and shell, or gun and plane, which we cannot under our law furnish.

I intend to offer an amendment for an unrestricted loan of $60,000,000 to Finland. I hope you will see fit to pass it.

If that does not prevail, I intend to offer an amendment for an earmarking of $20,000,000 to Finland, without restrictions.

In addition to this bill I have a bill, H. R. 7631, which provides for a refund of all interest paid by Finland to the United States on her debt to the United States, which amounts to approximately $5,000,000. I know you would not want us to hold interest on the loan that we made to Finland. This bill is now before the Ways and Means Committee and should be voted out. This would help Finland considerably without in any way affecting our neutrality. I could talk for an hour on this, but my speeches have been made from time to time and I hope you agree with me that we should help Finland now, so she can save herself and hold the lines for Christendom and democracy. Help Finland; do not just talk about it. An unrestricted loan of $60,000,000 would be the best insurance policy we could buy against the spread of communism or atheism in this country. [Applause.]

[Here the gavel fell.]

Mr. CRAWFORD. Mr. Chairman, I yield 5 minutes to the gentleman from Wisconsin [Mr. KEEFE].

Mr. KEEFE. Mr. Chairman and members of the Committee, I believe that the President was right when he stated that 98 percent of the people of America desire to aid heroic little Finland in her fight to preserve her Government and her traditions and ideals. An individual must, indeed, be cold and heartless not to be stirred by the heroic deeds of the defenders of this small nation. Their exploits have aroused the imagination and the heroic impulses of people throughout the world, and certainly those in America who love liberty respond to the urge to help Finland.

On the other hand, there is an all-compelling urge manifested by 100 percent of the people of this Nation that we take no action that may tend to involve us in European wars. The people of America demand of the Congress that they take no steps that may result in the necessity of sending American soldiers to shed their blood upon foreign battlefields.

Torn between the emotional desire to help Finland in her fight against the communistic hordes of Russia, and the equally strong urge to stay out of European involvement and entanglement, conscientious Members of Congress are faced with a very distressing and disturbing dilemma. We have before us the picture of the events that transpired in 1916 and 1917, which surely but inevitably drew us into the European war. We do not want that experience repeated. The administration, however, vacillating from day to day in its foreign policy and making strained interpretations of international law and our neutrality policy, say that the making of a loan to Finland for the purchase of nonmilitary supplies will not involve us in foreign entanglements. The administration, seeking to appease the urge of the people of this Nation to aid Finland, have permitted the propaganda to go out to the Nation that the measure now before the House is an answer to the needs of Finland.

I want to briefly analyze this bill and to let the people of the Nation who expect this Government to help Finland know that there is not a single word in the proposal now before the House which guarantees the loan of a single dollar to Finland.

In the last session of Congress, the President offered his now famous lend-and-spend bill and incorporated in that bill was a proposal to increase the capital of the Export-Import Bank from $100,000,000 to $200,000,000. This proposal was defeated by the Congress. The President, however, never accepts a defeat, and it is as apparent as any fact of history that the proposal now before the House is an attempt on the part of the administration to stir up sympathy for Finland and by that medium secure the enactment of substantially

the same legislation that the House repudiated in the last session of Congress.

The pending bill simply provides that the authorized capital of the Export-Import Bank be increased from $100,000,000 to $200,000,000, and in the hearings before the House Banking and Currency Committee, Mr. Jesse Jones, the head of the Federal lending agency, testified that the passage of this bill ought not to be based upon the assumption that a loan would be made to Finland in any amount and he definitely stated, as shown on page 36 of the hearings: "I think if you do not want to pass this bill for general purposes, it should not be passed." All through his testimony he was very frank in stating that this is not a Finnish loan bill but a bill to increase the authority of the Export-Import Bank to enable it to carry on its general activities. He further stated that if Finland made application for a loan to the Export-Import Bank, the directors of that institution would determine whether such a loan would be made, based upon conditions existing at the time of the application.

Thus it is apparent that in the passage of this bill, Congress is not voting a loan to Finland but is giving to the Export-Import Bank extended authority to carry on its business under the guise and pressure that a loan to Finland is involved. The fact is that if the Export-Import Bank wanted to aid Finland, it could do it immediately out of funds now available by the simple procedure of canceling commitments heretofore made by the bank and not used to date. The testimony discloses that the bank has $34,000,000 that could be used for this purpose if the emergency were as grave as the promoters of this legislation seek to indicate.

The bill provides that the aggregate amount of loans to any one foreign country and the agencies and nationals thereof shall at no time exceed $20,000,000 in addition to amounts previously authorized or made. However, a further proviso is contained in the bill that the Export-Import Bank of Washington shall not make any loans to any government which was in default in the payment of its obligations or any part thereof to the Government of the United States on April 13, 1934. This proviso does not, in my judgment, do what the country has been led to believe was intended. Let me amplify this statement somewhat.

The Johnson Act, previously passed by the Congress, prohibits loans to governments that are in default, but specifically exempts public corporations created pursuant to special authorization of Congress or a corporation in which the Government of the United States has or exercises a controlling interest through stock ownership or otherwise. It is thus apparent that the Export-Import Bank is not precluded under this so-called Johnson Act from making loans to any government regardless of whether they have defaulted on previous loans or not. The proviso, therefore, in the pending legislation attempts to restrict the activities of the Export-Import Bank and prevent it from making loans to any government which was in default. It will be noted that this proviso does not include the words contained in the first proviso, namely, "Foreign country and the agencies and nationals thereof," but only uses the word "government." Therefore it appears perfectly clear that the Export-Import Bank, which is a Government corporation set up by special authorization of the Congress, may, despite the second proviso in the pending legislation, make a loan to a foreign agency set up by a foreign government that is in default on its prior loans from the United States Government. Under the terms of this act, if the authority of the Export-Import Bank is extended by increasing its capital from $100,000,000 to $200,000,000 and Great Britain and France were to set up a corporation in this country known as the French or English Trading Corporation, the Export-Import Bank could loan money to that corporation owned and controlled by the Government of France or England, when under the terms of the proviso it could not make a loan direct to the English Government or the French Government.

It is apparent, therefore, that as the war progresses, perhaps England will ask for a $20,000,000 loan, and perhaps France may ask for a loan through the medium of a corporation established in this country, and we may be loaning money indirectly to governments which the Johnson Act and this second proviso in the pending bill seek to prevent.

I repeat that the pending legislation promises nothing to Finland, and its proponents have been fair enough to openly state on the floor of the House that the Finnish loan question is not embodied in this legislation. It seems to me, in view of the urge from the people in this country, that the Congress of the United States should come out into the open and fearlessly and frankly decide whether or not they want to make a loan to Finland for the purpose of aiding her in her fight against Russia. Thus the question would be one readily understood by the people of the Nation. Instead of doing this, however, Congress, as has been its practice all during the present administration, is delegating its power and authority into the hands of a private corporation known as the Export-Import Bank, thus allowing the directors of that corporation, instead of the Congress, to determine whether a loan shall be made to Finland.

To me, the whole procedure stultifies the conscience of a thinking Member of Congress, and a vote for this bill is neither a vote for a loan to Finland nor a vote against a loan to Finland. Those who have cleverly guided the publicity on this subject have caused the people of the country to believe that a vote against this bill is a vote against a loan to Finland, and a vote for the bill is a vote to aid Finland. Neither represents the true fact, and I trust that when the time for amendment of this bill comes, amendments will be offered which will show this piece of legislation up in its true light and that Members of Congress will be called upon to vote their honest convictions either in favor of or against a loan to Finland.

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

Mr. CRAWFORD. Mr. Chairman, I yield 5 minutes to the gentleman from New York [Mr. REED].

Mr. REED of New York. Mr. Chairman, my sympathies run entirely in one direction, and I suppose that is in accord with the general sympathy of the country. That is, naturally, as a great powerful nation, we would like to step in somewhere, somehow, and help a small republic with its back to the wall fighting for liberty. There are some things that are rather inconsistent in regard to our position. Each speaker who has taken the floor has pointed out that we must be meticulous in not issuing war materials to Finland, though that is exactly what they need. On the other hand, what are we doing so far as Russia is concerned? From the very start we have been pouring our war supplies into Russia. We have been financing Russia by buying her gold at $35 an ounce, which means a profit to her of perhaps $24 an ounce, and we shipped her 450 engines for bombing planes, and quite a large number of bombing planes themselves have been sent over there; so that while we are shedding tears about Finland, we are responsible for blasting out the lives of women and children behind the lines while their menfolk are at the front fighting for liberty. I have the figures here from the Department of Commerce. They show what has been happening. In 1939, in October, we shipped no copper at all to Russia. In November we shipped $1,082,000 worth; in December, $4,376,000 worth, and January of this year—and I have just obtained the figures from the Department—we sent $6,997,000 worth of copper to Russia; metal-working machinery, $2,205,000; brass and bronze, $631,000; petroleum products, $187,000. So we are talking about a loan to Finland; that is, what we would like to do to help Finland, and at the same time we are furnishing materials to destroy Finland.

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

Mr. REED of New York. I have not the time. I maintain that is an inconsistency. We should stop this shipment of war materials to Russia if we want to help Finland, and I hope somebody will offer such an amendment on the floor. That is not all. I want you to stop and think of a few more things in regard to this. We are helping the aggressor nations with our shipments of war materials. Our exports to 13 neutral countries around Germany have increased 47 percent within

the last few months, while our exports to the Allies increased only about 10 percent. So we find ourselves, with all of our financial power, helping aggressor nations—those who are trying to crush those nations who stand for our form of government—the parliamentary system.

I give you another thought to think about, and all you have to do is to read the English magazines to find out about it yourselves. Naturally the English are looking out for themselves, and her policy is to keep all employees in her export factories employed in their present positions, to hold their markets, to be prepared to gain any loss in her markets after the war is over, but she says, "We will buy our finished war materials so far as we can from the United States, which is out of the range of bombing planes, and then we will not have to face the social dislocation which will follow the war."

So while you are building up war exports by this type of a bill, you will have an aftermath, after the war, just as you did after the World War. [Applause.]

[Here the gavel fell.]

Mr. CRAWFORD. Mr. Chairman, I yield 5 minutes to the gentleman from Massachusetts [Mr. GIFFORD].

Mr. GIFFORD. Mr. Chairman, I rise to notify the House of an amendment that will be offered, as I think both sides of the House are entitled to know what that amendment will be.

After striking out the conditions on the second page of the bill insert:

Provided further, That the Export-Import Bank of Washington is authorized to loan to Finland on proper application not to exceed $20,000,000, without restriction on the type of merchandise to be purchased in the United States.

The Export-Import Bank would not then be forced to loan to Finland. It would be only an expressed authorization. If Mr. Jones thinks they can repay it, he would lend it to them; but it would at least provide an opportunity for the Members of this House to say that they had voted a Finnish loan, or at least tried to do something for Finland.

The threat was made over the heads of those in another body, with no mention made of Finland in the bill, that "If you vote against this bill you vote against Finland. If you vote for the bill it will be a vote for Finland."

The gentleman from Missouri spoke today about a certain Senator presenting a bill for $60,000,000, and then afterward concluded that that was not the orderly way, and supported the bill as it came from the Senate. Did you hear that Senator over the radio last evening? If you did, I hardly think you can reconcile the statements. Some of us, like that Senator, have to accept, in the last analysis, the best we can get. I again refer to the amendment that will be offered and we will then see whether we will vote for or against Finland. It does not force the bank to make the loan, but it does help out a little in forcing the expression that Finland should, if possible, have a share of this one hundred millions.

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

Mr. GIFFORD. I yield.

Mr. McCORMACK. If we have the power to provide for a loan through the Export-Import Bank for limited purposes, without violation of international law, why do we not have the power to make a straight loan without restriction?

Mr. GIFFORD. We have, and we ought to have the courage to do it. [Applause.]

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

Mr. GIFFORD. I yield.

Mr. GORE. May I say it is not a question of the power, but a question of advisability.

Mr. GIFFORD. Advisability? Possibly. Yes. We are afraid of something. Afraid of whom I do not know. Afraid of what I do not know. Are you afraid of Russia? Are you afraid of violating some international law that nobody seems to know much about or cares to explain? Finland is free to accept and we are free to give her any sort of loan. She is not in default. We attempt here to describe her as a belligerent making a needed loan impossible.

Ninety-eight percent of the people ought to be represented in this body.

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

Mr. GIFFORD. Yes; I yield.

Mr. CRAWFORD. As has so often been stated this afternoon, the Export-Import Bank has made a loan to Finland and Finland has withdrawn 70 or 80 percent of that—eight million of the ten million, has she not?

Mr. GIFFORD. Yes.

Mr. CRAWFORD. The Export-Import Bank could now make a loan to Finland if it wanted to give Finland preference on the commitment, to some other commitment.

Mr. GIFFORD. Certainly they could. They have $34,000,000 available today. It is committed, but only partially so. It probably will not all be taken up. This trying to pry $100,000,000 more over poor little Finland takes away my appetite for the bill.

Mr. THOMAS F. FORD. Will the gentleman yield?

Mr. GIFFORD. I yield.

Mr. THOMAS F. FORD. Is the gentleman attempting to convey to this House, on his responsibility as a Member, that the Banking and Currency Committee brought this bill in under fraud?

Mr. GIFFORD. Oh, no.

Mr. THOMAS F. FORD. Then what are you insinuating for and snarling about?

Mr. GIFFORD. Oh, this came from another body. This is an administration measure. There is no fraud about it. It is not a fraud, it is smart politics. Let us acknowledge that is the way you are trying to bring it about. I did not call it a fraud.

Mr. THOMAS F. FORD. The gentleman is attempting to make out it is a fraud.

Mr. GIFFORD. Oh, I did not say anything about fraud. I congratulate you on being so smart.

The CHAIRMAN. The time of the gentleman has expired.

Mr. CRAWFORD. As a matter of fact, this bill is based on a special letter or message in the form of a letter sent to the House, is it not?

Mr. GIFFORD. Yes. This is the spend-lend bill—a portion of it, of fragrant memory.

Mr. THOMAS F. FORD. Mr. Chairman, will the gentleman yield?

Mr. GIFFORD. I yield.

Mr. THOMAS F. FORD. A $10,000,000 loan has been extended to Finland, of which $8,000,000 has been used for munitions of war or for agricultural products and manufactures.

Mr. GIFFORD. I do not know about that. I agree with the attitude of the majority leader, the gentleman from Texas [Mr. RAYBURN], that they may buy food from us, but if they wish they may trade that food for munitions of war, and it is none of our business if they do.

Mr. THOMAS F. FORD. But does the gentleman know that it has been done?

Mr. GIFFORD. No; but if I cannot lend the gentleman money with which to buy a gun, but do lend him money with which to buy something else, and he trades that something else to his next-door neighbor for a gun, I cannot help that.

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

Mr. GIFFORD. I yield.

Mr. TREADWAY. I realize the gentleman's knowledge of the subject matter. Will the gentleman inform a colleague the manner in which that colleague can vote and show sympathy for Finland by saying that he wants $20,000,000 lent to Finland instead of voting for a $100,000,000 fund for somebody else to use?

Mr. GIFFORD. Yes; that colleague can vote for the amendment to be offered by the gentleman from Connecticut [Mr. MILLER], a member of the Committee on Banking and Currency, an amendment which I hope will be offered as a motion to recommit, coupled with a cut of $50,000,000 of the $100,000,000.

Mr. TREADWAY. Will that then make the terms of the bill such that Finland herself can secure $20,000,000 from

the Treasury of the United States, as we have asked to have done?

Mr. GIFFORD. No; but the bill should be so amended as to give Mr. Jones the chance to make that loan if he cares to. [Applause.]

[Here the gavel fell.]

Mr. WILLIAMS of Missouri. Mr. Chairman, I yield such time as he may desire to the gentleman from Arizona [Mr. MURDOCK].

Mr. MURDOCK of Arizona. Mr. Chairman, I favor the legislation before us both on sentimental and on business grounds. There are some of us who would like to do more than this bill does for Finland, but I believe that the practical and common-sense thing to do is to pass this bill as it is, for if we amend it and it has to go through conference, there will be greater delay and possibly its passage will be delayed until no help at all can be extended to Finland.

As has been said by those who preceded me, especially by the gentleman from Pennsylvania [Mr. ALLEN], a recollection of our own hour of need and the significant help afforded us by France back in 1778 should prompt us to extend a helping hand, under similar circumstances if not in exactly the same way, to Finland. Such are the sentimental grounds on which I favor this measure. The business grounds, briefly stated, are that this lending agency of the Government has already done a great piece of work in promoting our foreign trade. The institution has done so in a business-like way, and I believe will continue to use good business methods. So I favor that portion of the bill, other than the relief extended Finland, on business grounds. Although I favor the relief to Finland on sentimental grounds, it is to a certain degree upon business grounds also. It would certainly be good business, to say the least, if by the extension of a little financial aid now we can keep the free peoples of Scandinavia between Russia and the Atlantic Ocean. If our money could accomplish that feat, in my opinion, it would be good business to furnish the money, even without the formality of a loan.

Those who do not want to facilitate foreign trade through this institution of the Government, but who do want to extend aid to Finland, may offer amendments to make direct loans specifically to Finland. Would such a move be a service or a disservice to Finland? Any amendment to this bill, which in its present provisions carries some aid to Finland, in an effort to furnish more direct aid to this courageous and admirable people, would have the effect of throwing the whole legislation into conference and delay. Now we have seen evidence that conference reports are sometimes long delayed. Such a conference report might not be brought back to this Chamber for several weeks and thus the long delay thwart the very purpose of our attempted aid to Finland. I think it unwise to attempt such amendment.

Mr. WILLIAMS of Missouri. Mr. Chairman, I yield to the gentleman from Alabama [Mr. PATRICK] 2 minutes.

Mr. PATRICK. Mr. Chairman, I had a lot I intended to say, but there is not time. Let us get right down to the facts.

This is merely a way in which to do business. This organization has been going on since 1934, this Export-Import Bank, and its operations have been profitable. It is a very excellent way to do business. It has encouraged imports that we wanted to encourage. Remember, too, that not one loss has been sustained and not a single default is outstanding.

Every reasonable assumption may be had that Finland will get the loan. Nobody doubts that. The gentleman in authority, Mr. Jones, has already looked it over. So why defeat their plan of doing business, why divert the channel through which we have so successfully been encouraging the export of our manufactured and agricultural products, one which has proven a successful channel in the hands of the safest people perhaps in the United States of America? Let us not hamstring the legislation or the agency through which this business is done. Let us use good common business sense and exercise calm and reasonable judgment, avoiding either extreme of lending to Finland at every hazard on the one hand or making no loan whatever on the other. Handling this bill sensibly and calmly we shall have exactly what we want. [Applause.]

[Here the gavel fell.]

Mr. WILLIAMS of Missouri. Mr. Chairman, I yield 5 minutes to the gentleman from California [Mr. IZAC].

Mr. IZAC. Mr. Chairman, I like the work of the Export-Import Bank. I think it has done a good job. As a complement to the reciprocal-trade policies I think it is all right, but I am not going to talk to you today about that. I am going to talk about the effect some of the proposed amendments will have on the war in Europe.

Some of our friends want us to lend directly to Finland a certain amount of this money. I am afraid, Mr. Chairman, it is too late. They do not need any money now. What they need is guns, ammunition, planes, and a few destroyers out there in the Baltic. That is what they need. You are not going to give these to them, I take it, under this bill. But I will tell you why that would be far better. If we could cause a stalemate on the Karelian Isthmus it would mean, in the first place, concentrating the war south of that line. It would save the lives of untold numbers of men, women, and children. It would mean limiting the depredations caused by the nations to the south and confining the war to that theater alone. Second, if the Finns hold the Karelian Isthmus, you will not be barraged with pitiful appeals from our people of Scandinavian extraction to come to their aid in the face of further attacks of the Russian hordes. Wait and see if I am not right. If the Russians break through the Karelian Isthmus, they are on the way through Sweden, Denmark, and Norway, and then when Russia gets to the Atlantic and becomes an Atlantic power, the balance of power in the Atlantic is vitally disturbed. You would then have not only the British Fleet, which I never feared, but you would have another fleet. You know as long as there is Canada to the north of us we do not have to worry about the British Fleet. They are too vulnerable; and, besides, I think our Navy can whip them any day of the year. But when you have another power coming into the Atlantic you are disturbing the balance that exists there today.

There is another factor. You are going to cause hostilities to break out in other parts of the world unless you contain the Russians where they are, and I do not say this because I hate the Russians or because I love the Finns so much; but I am thinking of America. The instant you build up any other power and cause the conflagration to spread into other parts of the world, you are hurting our own country, and in self-defense we have to build up likewise. It is as my friend the gentleman from Pennsylvania [Mr. ALLEN] stated, the instant you permit the gangster to rise in any locality it means the expenditure of more money, because you have to increase the police force to put him down. And so it is in international affairs. It causes a great expense, and our people wonder why you and I keep voting more money for national defense. Let us restrict this war where it should be restricted and do something to help the Finns save their homes. I would say that in the interests of my own country, whether it was Finland or any other nation that was affected. It just happens that geographically that is where the war hurts us.

Mr. REES of Kansas. Will the gentleman yield?

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

Mr. REES of Kansas. I am interested, because the gentleman knows more about the horrors of war than most anyone on the floor of the House.

Mr. IZAC. I think not.

Mr. REES of Kansas. What does the gentleman suggest that we actually do about furnishing arms and ammunition to Finland? What should we do about that?

Mr. IZAC. Under the terms of the Neutrality Act, we do not deny ourselves the right to let them have any excess surplus material that we have, and we have a lot of it left over from the World War.

Mr. REES of Kansas. Then the gentleman would authorize in some way the shipment of arms and munitions direct to Finland?

Mr. IZAC. That would be my idea; make it possible for them to defend their homes and at the same time fight humanity's battle for us all. [Applause.]

[Here the gavel fell.]

Mr. WILLIAMS of Missouri. Mr. Chairman, I ask that the bill be read for amendment.

The Clerk read as follows:

Be it enacted, etc., That section 9 of the act approved January 31, 1935 (49 Stat. 4), as amended, is amended (1) by striking out "$100,000,000" and inserting in lieu thereof "$200,000,000", and (2) by inserting before the period at the end thereof a colon and the following: "*Provided further*, That the aggregate amount of loans to any one foreign country and the agencies and nationals thereof which are hereafter authorized to be made and are outstanding at any one time shall not exceed $20,000,000, and such amount shall be in addition to the amount of loans heretofore authorized or made to such foreign country and the agencies and nationals thereof: *Provided further*, That the Export-Import Bank of Washington shall not make any loans in violation of international law as interpreted by the Department of State or for the purchase of any articles listed as arms, ammunition, or implements of war by the President of the United States in accordance with the Neutrality Act of 1939."

With the following committee amendments:

Page 2, line 5, after the word "loans", insert "to any government which was in default in the payment of its obligation or any part thereof to the Government of the United States on April 13, 1934, or."

Page 2, line 9, after the word "articles", insert "except aircraft exclusively for commercial purposes."

Mr. WILLIAMS of Missouri. 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. PARSONS, Chairman of the Committee of the Whole House on the state of the Union, reported that that Committee, having had under consideration the bill S. 3069, to provide for increasing authority of the Export-Import Bank of Washington, and for other purposes, had come to no resolution thereon.

CALENDAR WEDNESDAY

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

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

There was no objection.

HOUR OF MEETING TOMORROW

Mr. RAYBURN. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet at 11 o'clock tomorrow morning.

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

There was no objection.

EXTENSION OF REMARKS

Mr. MARTIN J. KENNEDY. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein a memorial on our late Member, Dr. Sirovich.

The SPEAKER. Is there objection to the request of the gentleman from New York [Mr. MARTIN J. KENNEDY]?

There was no objection.

Mr. SPENCE. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include a statement of the Export-Import Bank from February 12, 1934, through January 31, 1940.

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

There was no objection.

Mr. THORKELSON. Mr. Speaker, I ask unanimous consent to extend the remarks I made in Committee today, and to include an article entitled "Session on Investments and National Policy of the United States in Latin America," the cost of which I have been informed will be $68 and it will take a page and a half of the RECORD.

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

There was no objection.

Mr. SECCOMBE. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein an article entitled "Sidelights on Finland" by Edward T. Heald, secretary of the Y. M. C. A. at Canton, Ohio.

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

There was no objection.

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

HENRY WADSWORTH LONGFELLOW

Mr. DONDERO. Mr. Speaker, I ask unanimous consent to proceed for 2 minutes.

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

There was no objection.

Mr. DONDERO. Mr. Speaker, I am unwilling that this day should pass without making some reference to the birth of a great American. The month of February is significant in the birthdays of great Americans. Not only do we have Washington and Lincoln, but 133 years ago today in the city of Portland, Maine, there came upon this earth a very illustrious American, Henry Wadsworth Longfellow, one of that great and beloved company of illustrious and famous American poets to whom we owe a great deal, and who contributed much to the literature of this country.

Appropriate exercises were held this morning at his monument on Connecticut Avenue here in the city of Washington. There are very few Members of this House who do not recall with keen delight, inspiration, and benefit, the reading of his Psalm of Life, his Rainy Day, his Children's Hour, Paul Revere's Ride, and the story of Evangeline.

The Nation recently paid tribute to the memory of this illustrious American poet by the issuance of a postage stamp bearing his likeness.

Mr. Speaker, I ask unanimous consent to revise and extend my remarks in the RECORD, and include therein a short statement prepared by the International Longfellow Society of Portland, Maine.

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

There was no objection.

The matter referred to follows:

To lovers of Longfellow:

There are few names as well known the world over as that of Longfellow.

For 18 years the beloved poet was one of Harvard's greatest professors.

He lived the greater part of his life, he wrote his immortal works, and died within a short walk of the university.

Surely every American has many reasons to be proud of the name and fame of Longfellow. For the past 25 years the International Longfellow Society has cherished it and actively promoted it in many lands.

The noble old colonial home in which he was born now needs attention for its present preservation as well as permanent endowment.

To accomplish such purpose, and for placing 100 mammoth steel plate engravings of Longfellow, each autographed both by the poet and the artist, in strategic locations round the world, as outlined below, your assistance is needed and urged. Few endeavors are more worthy or will longer endure.

We hope to be honored with your permission to add your name to the list of honorary members of the International Longfellow Society, a distinction accepted with many expressions of appreciation by 5 Presidents of the United States, as well as 100 presidents of colleges and Governors of States, and more than 1,000 organizations representing every State in the Union and every country in the world.

To aid world-wide preservation and promotion of the name and fame of the world-beloved poet, Longfellow, and to present to Their Majesties King George and Queen Elizabeth in appreciation of their friendly visit to America, and in recognition of the great love for Longfellow throughout the British Empire; and to President and Mrs. Roosevelt; and to the Governor General of Canada; to the capitols of 100 States and nations; to the United States Embassy in London and the United States Legation in Ottawa; to Harvard University; and the Universities of Oxford and Cambridge, England; to the Congressional Library at Washington; the Portland (Maine) Public Library; the Maine Historical Society; and the New York and San Francisco World's Fairs; Marshall's great

engraving of Longfellow, each autographed both by the poet and the artist and valued at $500 each, you are urged to contribute $2, $5, $10, $100, or $500, as may suit your convenience.

Checks should be made payable to the International Longfellow Society or the Portland Historical Society.

Your contribution will be much appreciated and gratefully acknowledged by the International Longfellow Society and the Portland Historical Society.

EXTENSION OF REMARKS

Mr. CRAWFORD. Mr. Speaker, I ask unanimous consent to include in my remarks on the bill that was under discussion today a copy of the third preliminary draft of the convention relating to the Inter-American Bank, the third draft of the charter of the Inter-American Bank, and the fifth preliminary memorandum draft of the bylaws of the Inter-American Bank, released by the Pan American Union.

I am advised by the Public Printer that this material will take up 4½ pages, and the cost will be $192. I want the House to know this before permission is granted to include the material.

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

There was no objection.

Mr. VOORHIS of California asked and was given permission to extend his own remarks in the RECORD.

Mr. THILL. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and include therein a short editorial from the Milwaukee Journal.

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

There was no objection.

Mr. HOFFMAN. Mr. Speaker, I ask unanimous consent to include in the remarks I made today a newspaper article.

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

There was no objection.

SPECIAL ORDERS

The SPEAKER. Under a special order of the House heretofore made, the gentleman from Minnesota [Mr. KNUTSON] is entitled to be recognized for 30 minutes. The Chair does not see the gentleman.

Mr. FISH. Mr. Speaker, I ask unanimous consent that the time allowed the gentleman from Minnesota for today be continued until tomorrow, at the conclusion of the legislative program of the day and any special orders heretofore entered.

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

There was no objection.

RESIGNATION FROM COMMITTEE

The SPEAKER laid before the House the following resignation from a committee:

FEBRUARY 27, 1940.

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

DEAR MR. SPEAKER: I hereby hand you my resignation from the Committee on Expenditures in the Executive Departments.

Respectfully yours,

JNO. L. MCMILLAN, M. C.

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

There was no objection.

LEAVE OF ABSENCE

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

To Mr. GILLIE (at the request of Mr. MARTIN of Massachusetts), indefinitely, on account of death in his family.

To Mr. FITZPATRICK, for the balance of the week, on account of a death in the family.

To Mr. AUGUST H. ANDRESEN (at the request of Mr. PITTENGER), indefinitely, on account of the serious illness of his mother.

To Mr. SWEENEY, indefinitely, on account of illness in the family.

ENROLLED BILL SIGNED

Mr. PARSONS, from the Committee on Enrolled Bills, reported that that committee had examined and found truly enrolled a bill of the House of the following title, which was thereupon signed by the Speaker:

H. R. 6505. An act to amend an act entitled "An act to establish a uniform system of bankruptcy throughout the United States," approved July 1, 1898, and acts amendatory thereof and supplementary thereto.

ADJOURNMENT

Mr. WILLIAMS of Missouri. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 4 o'clock and 50 minutes p. m.), under its previous order, the House adjourned until tomorrow, Wednesday, February 28, 1940, at 11 o'clock a. m.

COMMITTEE HEARINGS

COMMITTEE ON ROADS

The Committee on Roads will continue hearings at 10 a. m., Wednesday, February 28, 1940, on H. R. 7891, to assist the States in the improvement of highways, when the United States Commissioner of Public Roads will be heard.

COMMITTEE ON INDIAN AFFAIRS

There will be a meeting of the Committee on Indian Affairs on Wednesday next, February 28, 1940, at 10:30 a. m., for the consideration of H. R. 5477, H. R. 6957, and H. R. 8499.

COMMITTEE ON FOREIGN AFFAIRS

There will be a hearing Wednesday, February 28, 1940, at 10 a. m., before the Committee on Foreign Affairs on House Joint Resolution 412, House Joint Resolution 430, and House Joint Resolution 436, for the relief of the distressed and starving women and children of Poland.

COMMITTEE ON FOREIGN AFFAIRS

The Committee on Foreign Affairs will meet at 10:30 a. m., Thursday, February 29, 1940, for consideration of House Joint Resolution 428 and House Joint Resolution 429, 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.

COMMITTEE ON THE JUDICIARY

On Wednesday, February 28, 1940, at 10 a. m., there will be continued before Subcommittee No. 1 of the Committee on the Judiciary public hearings on the following bills:

H. R. 3331 and S. 1032, to amend the act entitled "An act to provide conditions for the purchase of supplies and the making of contracts by the United States," and for other purposes.

H. R. 6395, to extend the provisions of the act entitled "An act to provide conditions for the purchase of supplies and the making of contracts by the United States, and for other purposes," approved June 30, 1936, to certain contracts carried out with the aid of Federal funds.

The hearings will be held in room 346, House Office Building.

COMMITTEE ON THE CENSUS

There will be hearings by the Committee on the Census in room 213 House Office Building, Wednesday, February 28, 1940, and Thursday, February 29, 1940, at 10: 30 a. m., on the reapportionment of Representatives in Congress.

COMMITTEE ON MERCHANT MARINE AND FISHERIES

The Committee on Merchant Marine and Fisheries will hold hearings at 10 a. m. on the following date on the matters named:

Tuesday, March 12, 1940:

H. R. 5476, to create the Alaska Fisheries Commission, and for other purposes.

H. R. 6690, making further provision for the protection of the fisheries of Alaska, and for other purposes.

H. R. 7542, to amend section 6 of an act of Congress entitled "An act for the protection of the fisheries of Alaska, and for other purposes," approved June 6, 1924.

H. R. 7987, to amend section 1 of the act of June 6, 1924, as amended, relative to the fisheries of Alaska.

H. R. 7988, making provision for employment of the residents of Alaska in the fisheries of said Territory, and for other purposes.

H. R. 8115, making provision for employment of residents of Alaska only in the salmon fishery of the Bristol Bay area, Alaska, during the year 1940.

H. R. 8172, to amend section 5 of the act of Congress approved June 26, 1906, relative to the Alaska salmon fishery.

Tuesday, March 19, 1940:

H. R. 6136, to amend the act entitled "An act for the establishment of marine schools, and for other purposes," approved March 4, 1911 (36 Stat. 1353; 34 U. S. C. 1122), so as to authorize an appropriation of $50,000 annually to aid in the maintenance and support of marine schools.

H. R. 7094, to authorize the United States Maritime Commission to construct or acquire vessels to be furnished the States of New York, Massachusetts, Pennsylvania, and California for the benefit of their respective nautical schools and for other purposes.

H. R. 7870, to extend the provisions of the act entitled "An act for the establishment of marine schools, and for other purposes," approved March 4, 1911, to include Astoria, Oreg.

H. R. 8612, to authorize the United States Maritime Commission to construct or acquire vessels to be furnished the States of New York, Massachusetts, Pennsylvania, and California, for the benefit of their respective nautical schools, and for other purposes.

COMMITTEE ON PATENTS

The Committee on Patents, House of Representatives, will hold hearings Thursday, March 14, 1940, at 10:30 a. m., on H. R. 8445, to protect the United States in patent-infringement suits. H. R. 8445 is a substitute for H. R. 6877.

The Committee on Patents will hold hearings Thursday, March 21, 1940, at 10:30 a. m., on S. 2689, to amend section 33 of the Copyright Act of March 4, 1909, relating to unlawful importation of copyrighted works.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1410. A letter from the Acting Secretary of the Navy, transmitting a draft of a proposed bill to provide for the reimbursement of certain personnel or former personnel of the United States Marine Corps for the value of personal effects destroyed as a result of a fire at Raritan Arsenal, Metuchen, N. J., on October 10, 1938; to the Committee on Claims.

1411. A letter from the Acting Secretary of the Treasury, transmitting a draft of a proposed bill for the relief of the heirs of the late Lt. William Lee Clemmer, United States Coast Guard; to the Committee on Claims.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. SNYDER: Committee on Appropriations. H. R. 8668. A bill making appropriations for the fiscal year ended June 30, 1941, for civil functions administered by the War Department, and for other purposes; without amendment (Rept. No. 1681). Referred to the Committee of the Whole House on the state of the Union.

Mr. O'CONNOR: Committee on Irrigation and Reclamation. S. 1759. An act granting the consent of Congress to the States of Montana, North Dakota, and Wyoming to negotiate and enter into a compact or agreement for division of the waters of the Yellowstone River; without amendment (Rept. No. 1682). Referred to the Committee of the Whole House on the state of the Union.

Mr. KENNEDY of Maryland: Committee on Merchant Marine and Fisheries. H. R. 6751. A bill to repeal certain laws with respect to manifests and vessel permits; with amendment (Rept. No. 1683). Referred to the Committee of the Whole House on the state of the Union.

Mr. MAY: Committee on Military Affairs. S. 2740. An act to amend section 9a, National Defense Act, as amended, so as to provide specific authority for the employment of warrant officers of the Regular Army as agents of officers of the finance department for the disbursement of public funds; without amendment (Rept. No. 1684). Referred to the Committee of the Whole House on the state of the Union.

Mr. MAY: Committee on Military Affairs. S. 2769. An act to amend section 55, National Defense Act, as amended, to provide for enlistment of men up to 45 years of age in technical units of the Enlisted Reserve Corps; without amendment (Rept. No. 1685). Referred to the Committee of the Whole House on the state of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BELL:

H. R. 8669. A bill to extend the times for commencing and completing the construction of a bridge across the Missouri River at or near Randolph, Mo.; to the Committee on Interstate and Foreign Commerce.

By Mr. BOLLES:

H. R. 8670 (by request). A bill to create and establish a Board of Funeral Directors and Embalmers for the District of Columbia and to prescribe its powers and duties; to the Committee on the District of Columbia.

By Mr. DICKSTEIN:

H. R. 8671. A bill to provide medals for the men who trained at the first Plattsburg training camp in 1915; to the Committee on Military Affairs.

By Mr. LEMKE:

H. R. 8672. A bill to amend section 5 of the act approved September 26, 1914 (U. S. C., 1934 ed., title 15, sec. 15), as amended by section 3 of the act approved May 21, 1938 (Public Law No. 447, of the 75th Cong.), is amended by adding to subdivision (a) another paragraph; to the Committee on Interstate and Foreign Commerce.

By Mr. CANNON of Missouri:

H. R. 8673. A bill to amend the National Labor Relations Act to exempt agricultural organizations; to the Committee on Labor.

By Mr. RAMSPECK:

H. R. 8674. A bill to amend subchapter A of chapter IV of the Internal Revenue Code, section 1426 (h), paragraph 3, and section 1607 (l), paragraph 3; to the Committee on Ways and Means.

By Mr. MAAS:

H. R. 8675. A bill to repeal section 1617 of the Revised Statutes; to the Committee on Naval Affairs.

H. R. 8690. A bill providing for the pay and allowances of retired officers of the Navy and Marine Corps on active duty; to the Committee on Naval Affairs.

By Mr. GRANT of Indiana:

H. J. Res. 474. Joint resolution authorizing the President of the United States of America to proclaim October 11, 1940, General Pulaski's Memorial Day for the observance and commemoration of the death of Brig. Gen. Casimir Pulaski; to the Committee on the Judiciary.

By Mr. WHITE of Ohio:

H. J. Res. 475. Joint resolution to create a commission to formulate a permanent national policy with respect to the payment of old-age pensions; to the Committee on Rules.

By Mr. HOFFMAN:

H. Res. 402. Resolution requesting certain information from the Secretary of War; to the Committee on Military Affairs.

PRIVATE BILLS AND RESOLUTIONS

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

By Mr. BARDEN:

H. R. 8676. A bill for the relief of Harry Kahn; to the Committee on Claims.

By Mr. CARLSON:

H. R. 8677. A bill granting a pension to Alfred Wiley, Jr.; to the Committee on Invalid Pensions.

By Mr. CHAPMAN:

H. R. 8678. A bill granting a pension to Gilbert Walton; to the Committee on Invalid Pensions.

H. R. 8679. A bill for the relief of the estate of Frank H. Lusse, deceased, of Frankfort, Ky.; to the Committee on Claims.

By Mr. DISNEY:

H. R. 8680. A bill for the relief of Blanche Thompson; to the Committee on Claims.

By Mr. GREEN:

H. R. 8681. A bill granting an increase of pension to James P. Case; to the Committee on Pensions.

By Mr. JOHNSON of West Virginia:

H. R. 8682. A bill granting a pension to Henry B. Lyons; to the Committee on Pensions.

By Mr. KRAMER:

H. R. 8683. A bill for the relief of Chilton Craddock; to the Committee on Naval Affairs.

By Mr. MALONEY:

H. R. 8684. A bill for the relief of Georgie W. Rathborne; to the Committee on Claims.

By Mr. RAYBURN:

H. R. 8685. A bill to extend the benefits of the Federal Employees' Compensation Act, approved September 7, 1916, as amended, to Merton Terence Cross; to the Committee on Claims.

By Mr. SMITH of Virginia:

H. R. 8686. A bill granting a pension to William B. Ludlow; to the Committee on Invalid Pensions.

H. R. 8687. A bill granting an increase of pension to Katharine H. Fuller; to the Committee on Invalid Pensions.

H. R. 8688. A bill for the relief of H. Glenn Cunningham, Jr., C. A. Laursen, and William J. Godschalk; to the Committee on Claims.

By Mr. MOUTON:

H. R. 8689. A bill for the relief of Desiderio Alvarez de la Fuente; to the Committee on Immigration and Naturalization.

PETITIONS, ETC.

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

6686. By Mr. BALL: Petition of sundry citizens of Willimantic, Conn., favoring the passage of legislation for the relief of Polish war sufferers; to the Committee on Foreign Affairs.

6687. By Mr. BRADLEY of Michigan: Petition of Jasper D. Cole and 57 others, of Emmet County, Mich., recommending passage of Townsend bill; to the Committee on Ways and Means.

6688. By Mr. LEONARD W. HALL: Petition of officials of the town of Oyster Bay and city of Glen Cove; officers of the Polish National Home, of Glen Cove, N. Y.; veterans' organizations; and others, adopted at a public meeting in the city of Glen Cove, requesting that Congress take action by way of protest to the Governments of Germany and Russia against the treatment of Polish nationals and to lend its influence in making possible the provision of relief, food, and medical care by humanitarian organizations to the needy citizens of Poland; to the Committee on Foreign Affairs.

6689. By Mr. MARTIN J. KENNEDY: Petition of the Yorkville Chamber of Commerce of New York City, opposing the passage of the Neely bill (S. 280), known as the block-booking bill; to the Committee on Interstate and Foreign Commerce.

6690. By Mr. KEOGH: Petition of the National Society for the Prevention of Blindness, New York City, favoring the appropriation of $7,000,000 for the control of venereal diseases; to the Committee on Interstate and Foreign Commerce.

6691. Also, petition of Elmer E. Bennett, Jr., Post, No. 725, American Legion, William E. White, commander, Brooklyn, N. Y., favoring the passage of House bill 7593, widows and orphans pension bill; to the Committee on World War Veterans' Legislation.

6692. Also, petition of the Brooklyn Chamber of Commerce, Brooklyn, N. Y., favoring sugar legislation that will protect the jobs of the Brooklyn, N. Y., sugar-refinery workers; to the Committee on Foreign Affairs.

6693. By Mr. KRAMER: Resolution of the Assembly and Senate of the State of California, relative to the continuance of Japanese-beetle suppression under Federal auspices; to the Committee on Agriculture.

6694. By Mr. MURRAY: Petition of I. P. Goult and Irvin Peterson, of Wautoma, Wis., and others; to the Committee on Ways and Means.

6695. By Mr. SEGER: Petition of 750 residents of Paterson, N. J., and vicinity, opposing the enactment of Senate bill 2395, the so-called wheat-certificate-allotment plan, because of possible taxes on necessities; to the Committee on Agriculture.

6696. By Mr. SCHIFFLER: Petition of Mrs. J. E. Harper, director, and officers and members of the Youth's Temperance Council of Chester, W. Va., urging the passage of Senate bill 517; to the Committee on Interstate and Foreign Commerce.

6697. By Mr. SUTPHIN: Petition of the New Jersey Highway Users Conference, representing highway users and those interested in highway transportation, opposing the enactment of Senate bill 2009; to the Committee on Interstate and Foreign Commerce.

6698. By Mr. VAN ZANDT: Memorial of G. A. Reed, president, Washington Camp, No. 889, P. O. S. of A., Centre Hall, Pa., and others, protesting against foreign propaganda, and urging that every effort be made to keep America out of war; to the Committee on Foreign Affairs.

6699. By the SPEAKER: Petition of the State, County, and Municipal Workers of America, Congress of Industrial Organizations, Harrisburg, Pa., petitioning consideration of their resolution with reference to the Budget; to the Committee on Appropriations.

6700. Also, petition of the American Legion, Department of Idaho, Boise, petitioning consideration of their resolution with reference to the establishment of a domiciliary center; to the Committee on World War Veterans' Legislation.

6701. Also, petition of the Chamber of Commerce, Anniston, Ala., petitioning consideration of their resolution with reference to the Allatoona flood-control project; to the Committee on Flood Control.

6702. Also, petition of Yavapai Associates, United Civic Groups of Yavapai County, Prescott, Ariz., petitioning consideration of their resolution with reference to the selecting of a new Director of the United States Bureau of Mines; to the Committee on Mines and Mining.

6703. Also, petition of the Alameda County Industrial Union Council, Oakland, Calif., petitioning consideration of their resolution with reference to a large-scale low-rent housing and slum-clearance program; to the Committee on Banking and Currency.

HOUSE OF REPRESENTATIVES

WEDNESDAY, FEBRUARY 28, 1940

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

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

Our blessed heavenly Father, we pray Thee to make manifest to us that which is entire truth, honor, and fidelity that these virtues may be swept into the treasury of our daily conduct. We come to Thee that we may have life that is not a mere existence written in a wounded past and a halting future but life rich, unfailing, ever deepening and eternal: Oh, this is life eternal that we may know Thee, the only true God, Jesus Christ, whom Thou hast sent. Our gratitude rises to Thee that the old world hopes and aspirations come winging through the radiance of Thy glory. Oh just to be in a living world to labor and walk its kindly, brotherly ways and be alive more and more! Enable us to heed the messages to