males in the District of Columbia, and for other purposes; to the Committee on the District of Columbia.

1708. A letter from the Chairman, National Capital Park and Planning Commission, transmitting draft of a proposed bill entitled "A bill to establish a boundary line between the District of Columbia and the Commonwealth of Virginia, and for other purposes"; to the Committee on the District of Columbia.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. LANHAM: Committee on Public Buildings and Grounds. H. R. 9927. A bill declaring a forfeiture of certain land heretofore granted by the United States to the board of commissioners of the Orleans Levee District, in the city of New Orleans, State of Louisiana, for levee and street purposes; without amendment (Rept. No. 2342). Referred to the Committee of the Whole House on the state of the Union.

Mr. RAMSPECK: Committee on the Civil Service. H. R. 8046. A bill to amend section 1 of the act entitled "An act for the retirement of employees of the Alaska Railroad, Territory of Alaska, who are citizens of the United States," approved June 29, 1936; with amendment (Rept. No. 2343). Referred to the Committee of the Whole House on the state of the Union.

Mr. STEAGALL: Committee on Banking and Currency. H. R. 9886. A bill to amend the Federal Credit Union Act (June 26, 1934, ch. 750, par. 1, 48 Stat. 1216, sec. 1761); without amendment (Rept. No. 2347). Referred to the Committee of the Whole House on the state of the Union.

Mr. PEARSON: Committee on Interstate and Foreign Commerce. S. 2047. An act to divest prize-fight films of their character as subjects of interstate or foreign commerce, and for other purposes; without amendment (Rept. No. 2348). Referred to the House Calendar.

Mr. HILL: Committee on Indian Affairs. H. R. 9445. A bill for the acquisition of Indian lands for the Grand Coulee Dam and Reservoir, and for other purposes; with amendment (Rept. No. 2350). Referred to the Committee of the Whole House on the state of the Union.

Mr. KELLER: Committee on the Library. H. R. 9806. A bill to permit the Smithsonian Gallery of Art Commission to purchase a model of the winning design for the proposed Smithsonian Gallery of Art, and for other purposes; without amendment (Rept. No. 2352). Referred to the Committee of the Whole House on the state of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. LESINSKI: Committee on Invalid Pensions. H. R. 2117. A bill granting a pension to Martha Pace; without amendment (Rept. No. 2344). Referred to the Committee of the Whole House.

Mr. LESINSKI: Committee on Invalid Pensions. H. R. 7860. A bill granting an increase of pension to Mary Merrill Scott; without amendment (Rept. No. 2345). Referred to the Committee of the Whole House.

Mr. LESINSKI: Committee on Invalid Pensions. H. R. 9963. A bill granting increase of pensions to sundry widows; without amendment (Rept. No. 2346). Referred to the Committee of the Whole House.

Mr. MASON: Committee on Immigration and Naturalization. H. R. 4353. A bill for the relief of Amelia Eisenstein; with amendment (Rept. No. 2349). Referred to the Committee of the Whole House.

Mr. AUSTIN: Committee on Immigration and Naturalization. H. R. 4066. A bill for the relief of Josefina Alvarado; without amendment (Rept. No. 2351). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BRADLEY of Michigan:

H. R. 9964. A bill to amend section 1101 of the Social Security Act; to the Committee on Ways and Means.

By Mr. FERNANDEZ:

H. R. 9965. A bill to provide for the acquisition by the United States of land for addition to the national-cemetery area of the Chalmette National Historical Park in the State of Louisiana, and for other purposes; to the Committee on the Public Lands.

By Mr. DOUGHTON:

H. R. 9966. A bill to provide for the expenses of national preparedness by raising revenue and issuing bonds, to provide a method for paying for such bonds, and for other purposes; to the Committee on Ways and Means.

By Mr. HOFFMAN:

H. Res. 505. Resolution requesting certain information from the Secretary of Labor; to the Committee on Labor.

PRIVATE BILLS AND RESOLUTIONS

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

By Mr. AUSTIN:

H. R. 9967. A bill for the relief of Ethel Sherwood Wakeman; to the Committee on Claims.

By Mr. COLE of New York:

H. R. 9968. A bill for the relief of Constantinos Dardas; to the Committee on Immigration and Naturalization.

H. R. 9969. A bill for the relief of Hildegard Lacour; to the Committee on Immigration and Naturalization.

By Mr. HENDRICKS:

H. R. 9970. A bill granting a pension to E. G. Vans Agnew; to the Committee on Pensions.

PETITIONS, ETC.

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

8511. By Mr. GOSSETT: Petition of Mrs. LeNelle Wheeler and 157 other citizens of Bowie and Montague County, Tex., urging action against subversive elements in America and insisting upon adequate preparedness; to the Committee on Military Affairs.

8512. By the SPEAKER: Petition of the Motion Picture Laboratory Technicians, Local 702, New York City, N. Y., petitioning consideration of their resolution with reference to the present war situation in Europe; to the Committee on Foreign Affairs.

8513. Also, petition of the Illinois District of the American Lutheran Church, Goshen, Ind., petitioning consideration of their resolution with reference to foreign entanglement; to the Committee on Foreign Affairs.

8514. Also, petition of the Illinois District of the American Lutheran Church, Goshen, Ind., petitioning consideration of their resolution with reference to the personal representative of the President of the United States of America; to the Committee on Foreign Affairs.

SENATE

FRIDAY, MAY 31, 1940

(Legislative day of Tuesday, May 28, 1940)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

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

O Thou who dost reveal Thyself in the magic of creative beauty, no less in the mystery of night, with her silent stars, than in the morning's glorious awakening, for darkness and the light are both to Thee alike: We beseech Thee to lighten

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the darkness of the way, and, since Thou hast always known us and from the beginning hast purposed when and where to use us, impart to us anew the sense of the dignity of life, that our people may return to the faithful practice of those simple virtues without which no nation can be sound at heart or constrained to do Thy will.

In the face of our exacting duties, help us to quit ourselves like men. Drive from our minds all doubt and fear, purge our lives from shame and our lips from all uncleanness, that we may be fitted not only to assist in the alleviation of the world's great agony and sorrow but, as prophets rising above the clatter and confusion, we may ever point the way to the road on which the fathers walked whereon their hallowing influence flowed to make and keep men free. In the Saviour's name we ask it. Amen.

THE JOURNAL

On request of Mr. BARKLEY, and by unanimous consent, the reading of the Journal of the proceedings of the calendar day of Thursday, May 30, 1940, was dispensed with, and the Journal was approved.

CALL OF THE ROLL

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

The VICE PRESIDENT. The clerk will call the roll.

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

Adams	Connally	King	Schwartz
Andrews	Danaher	La Follette	Schwellenbach
Ashurst	Davis	Lee	Sheppard
Austin	Downey	Lodge	Shipstead
Bailey	Ellender	Lucas	Slattery
Bankhead	George	Lundeen	Smathers
Barbour	Gerry	McCarran	Smith
Barkley	Gibson	McKellar	Stewart
Bilbo	Gillette	McNary	Taft
Bone	Guffey	Maloney	Thomas, Idaho
Bridges	Gurney	Mead	Thomas, Okla.
Brown	Hale	Miller	Thomas, Utah
Bulow	Harrison	Minton	Townsend
Burke	Hatch	Murray	Truman
Byrd	Hayden	Norris	Tydings
Byrnes	Herring	Nye	Vandenberg
Capper	Hill	O'Mahoney	Van Nuys
Caraway	Holman	Overton	Wagner
Chandler	Holt	Pepper	Walsh
Chavez	Hughes	Radcliffe	Wheeler
Clark, Idaho	Johnson, Calif.	Reynolds	White
Clark, Mo.	Johnson, Colo.	Russell	Wiley

Mr. MINTON. I announce that the Senator from Rhode Island [Mr. GREEN] is unavoidably detained.

The Senator from Ohio [Mr. DONAHEY], the Senator from Virginia [Mr. GLASS], the Senator from West Virginia [Mr. NEELY], and the Senator from Nevada [Mr. PITTMAN] are necessarily absent.

Mr. AUSTIN. I announce that the Senator from Kansas [Mr. REED] is absent on official business for the Committee Investigating Campaign Expenditures.

The Senator from North Dakota [Mr. FRAZIER] and the Senator from New Hampshire [Mr. TOBEY] are necessarily absent.

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

SITES AT MIAMI BEACH, FLA., FOR THE COAST GUARD

The VICE PRESIDENT laid before the Senate a letter from the Acting Secretary of the Treasury transmitting a draft of proposed legislation to amend the act of April 6, 1938 (52 Stat. 201) entitled "An act authorizing the Secretary of the Treasury to exchange sites at Miami Beach, Dade County, Fla., for Coast Guard purposes," which, with the accompanying paper, was referred to the Committee on Commerce.

BOUNDARY LINE BETWEEN VIRGINIA AND THE DISTRICT OF COLUMBIA

The VICE PRESIDENT laid before the Senate a letter from the chairman of the National Capital Park and Planning Commission, transmitting a draft of proposed legislation to establish a boundary line between the District of Columbia and the Commonwealth of Virginia, and for other purposes, which, with the accompanying paper, was referred to the Committee on the District of Columbia.

PETITIONS AND MEMORIALS

The VICE PRESIDENT laid before the Senate a resolution of the Council of the City of Compton, Calif., favoring conservation and protection of the national defense against all enemies, foreign and domestic, and calling attention to the alleged presence of groups of aliens or persons of foreign extraction in the vicinities of various United States air and naval bases, which was referred to the Committee on Military Affairs.

He also laid before the Senate a resolution of the Illinois District Convention of the American Lutheran Church, favoring the immediate recall of Myron C. Taylor as a representative at the Vatican, which was referred to the Committee on Foreign Relations.

He also laid before the Senate a resolution of the Illinois District Convention of the American Lutheran Church, favoring the observance of neutrality and the avoidance of foreign entanglements, the uncovering of all subversive activities in America, and also that the United States do all within its power to keep out of present and future European or Asiatic conflicts, which was referred to the Committee on Foreign Relations.

He also laid before the Senate a memorial of sundry citizens, being trade-unionists and persons interested in social work, of the Bronx, New York City, remonstrating against any involvement of the Nation in the present war situation, which was referred to the Committee on Foreign Relations.

Mr. WALSH presented a resolution adopted by a meeting of more than 700 citizens at Boston, Mass., held under the auspices of the National Negro Congress, favoring the prompt enactment of House bill 801, for the prevention and punishment for lynching, which was ordered to lie on the table.

RELIEF OF POPULATIONS OF INVADED EUROPEAN COUNTRIES

Mr. MALONEY. Mr. President, I ask unanimous consent to have printed in the RECORD a letter I have received from Right Reverend Monsignor Bojnowski and other distinguished residents of my State concerning the matter of relief for the stricken people of Poland, together with copy of a resolution adopted at a mass meeting in my State, and also copy of Senate Joint Resolution 261 on the subject introduced by myself and the junior Senator from New York [Mr. MEAD]. I ask that the letter and resolution be referred to the Committee on Foreign Relations, where the joint resolution was referred on the 24th instant.

There being no objection, the letter and resolution were referred to the Committee on Foreign Relations and, together with the joint resolution above mentioned, were ordered to be printed in the RECORD, as follows:

NEW BRITAIN, CONN., *May 15, 1940.*

His Honor FRANCIS T. MALONEY,
Senator of the United States, Washington, D. C.

MY DEAR SENATOR: Attached herewith is a resolution passed at a mass meeting held at the Sacred Heart School Hall, New Britain, Conn., on Sunday, April 21, 1940, which mass meeting was attended by about 2,000 people from New Britain and vicinity.

May we ask that you do everything in your power to help the poor and suffering people of Poland in every possible way?

Thanking you in advance for any help you may render them, we remain,

Respectfully yours,

GENERAL HALLER RECEPTION COMMITTEE,
Rev. L. BOJNOWSKI, *President,*
PAULIN NURCZYK, *Vice President,*
JOSEPH SAMOJEDNY, *Secretary,*
ANDREW MACIAG, *Treasurer.*

Resolution adopted at a mass meeting held on Sunday, April 21, 1940, at the Sacred Heart Parish Hall in New Britain, Conn., in the presence of His Excellency Gen. Joseph Haller, Minister of the State of the Republic of Poland:

Whereas we Americans of Polish descent and Polish residents of New Britain and vicinity of the State of Connecticut feel in common with the rest of the American people and each and every civilized human being;

Whereas we are fully cognizant of the unspeakable conduct of the German armies now occupying a portion of the territories of our mother country, Poland;

Whereas we are fully cognizant of the unspeakable conduct of the armies of Soviet Russia occupying a portion of the territories of our beloved mother country, Poland;

Now, therefore, we, assembled, resolve that the Congress of the United States be hereby petitioned to submit to the Secretary of State, Hon. Cordell Hull, this unanimous wish of ours that this Government should at the earliest convenience make the strongest representation through their diplomatic representatives at Berlin and at Moscow and most earnestly request them to stop such practices as are abhorrent to every citizen or resident of the United States of America, irrespective of race and creed.

We furthermore resolve that the Congress of the United States be respectfully requested to vote at the earliest possible time, and not later than before the closing of this session, such relief bills for the benefit of the suffering populations in Poland as are worthy of the great humanitarian traditions of the American people.

We finally resolve that copies of this resolution be forwarded to the Honorable Franklin D. Roosevelt, President of the United States, and to all Senators and Representatives of the United States Congress.

[S. J. Res. 261, in the Senate of the United States, May 24 (legislative day, April 24), 1940. Mr. MALONEY (for himself and Mr. MEAD) introduced the following joint resolution; which was read twice and referred to the Committee on Foreign Relations]

Joint resolution for the relief of the distressed and starving men, women, and children, of Poland, Norway, Holland, Belgium, Finland, and other similarly afflicted areas

Resolved, etc., That the President is hereby authorized, through such agency or agencies as he may designate, to purchase exclusively in the United States and transport and distribute medical supplies, and surplus supplies whenever found to be practicable, of grain, fats, dairy products, and other foodstuffs, and clothing, for and adapted to the relief of the distressed and starving men, women, and children in Poland, Norway, Holland, Belgium, Finland, and other similarly afflicted areas. That there is hereby authorized to be appropriated, to be expended under the direction of the President, a sum not exceeding $15,000,000, or so much thereof as may be necessary, for the purpose of carrying out the provisions of this joint resolution: *Provided*, That no part of any moneys that may be appropriated under the authorization of this joint resolution shall be expended for the purchase, transportation, or distribution of any commodities mentioned herein, unless and until there shall have been concluded by the United States Government, or some authorized agency acting in its behalf, with each and every foreign government whose consent to or cooperation in the undertaking proposed herein may by the President be deemed necessary, such understandings or agreements as will satisfy the President that the commodities, so to be purchased and transported, can and will be transported without hindrance or diversion and distributed to and received by such people who are in need of relief: *Provided further*, That the purchase, transportation, and distribution of all supplies and commodities mentioned in this joint resolution shall be under the direction and supervision of American citizens: *And provided further*, That the President shall, on or before December 31, 1940, submit to the Congress an itemized and detailed report of the expenditures and activities made and conducted through the agencies selected by him under the authority of this joint resolution.

AID FOR ALLIES

Mr. SMATHERS. Mr. President, I send to the desk and ask unanimous consent to have read into the RECORD at this point a telegram received from Mrs. Dwight W. Morrow. Mrs. Morrow is the widow of a former distinguished Member of this body from New Jersey, Dwight W. Morrow, and the mother-in-law of Col. Charles A. Lindbergh.

The VICE PRESIDENT. Without objection, the telegram will be read.

The legislative clerk read the telegram, as follows:

I and members of my family support resolution passed by New York branch of Committee to Defend America by Aiding Allies. Urge you to support immediate action on three points as follows: First, make available to Allies as many planes as may in opinion of President be released without impairing national defense. Second, make available a hundred million dollars to aid refugees in war zone. Third, stop export of war materials which may find their way to aggressive nations.

Sincerely yours,

MRS. DWIGHT W. MORROW.

Mr. AUSTIN. Mr. President, to the same effect is a telegram I found on my desk this morning from Dr. Waldo H. Heinrichs, a professor, of Middlebury, Vt. I should like to read it.

Tremendous shift in public opinion indicated by unanimous vote of Vermont public as indicated by local American Legion and Rotary Club and immediate response of faculty to William Allen White's four-point program, including immediate relief, all possible planes to Allies, $100,000,000 refugee relief, cessation of exports to aggressors, and fullest possible material aid to Allies. Rising sentiment against failure of Congress to help stop aggressors. This represents feeling in audiences I have addressed in Burlington, Montpelier, Brattleboro, Middlebury, Rutland, St. Albans, Manchester, and many other smaller centers.

WALDO H. HEINRICHS.

REPORTS OF COMMITTEES

Mr. WAGNER, from the Committee on Banking and Currency, to which was referred the bill (S. 3938) to authorize the purchase by the Reconstruction Finance Corporation of stock of Federal home-loan banks; to amend the Reconstruction Finance Corporation Act, as amended; and for other purposes, reported it with an amendment and submitted a report (No. 1725) thereon.

Mr. MILLER, from the Committee on Banking and Currency, to which was referred the bill (S. 4008) to authorize the Reconstruction Finance Corporation to make loans for the development of deposits of strategic and critical minerals and other metallic and nonmetallic minerals, and to authorize the Reconstruction Finance Corporation to make more adequate loans for mineral developmental purposes, reported it with amendments and submitted a report (No. 1726) thereon.

Mr. WALSH, from the Committee on Naval Affairs, to which was referred the bill (H. R. 9848) to authorize the construction or acquisition of naval aircraft, the construction of certain public works, and for other purposes, reported it with amendments.

Mr. ADAMS, from the Committee on Banking and Currency, to which was referred the bill (S. 71) to repeal the act entitled "An act relating to Philippine currency reserves on deposit in the United States," reported it without amendment and submitted a report (No. 1727) thereon.

Mr. CONNALLY, from the Committee on Public Buildings and Grounds, to which was referred the joint resolution (H. J. Res. 517) to clear title to certain real estate, reported it without amendment.

BILLS AND JOINT RESOLUTION INTRODUCED

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

By Mr. MEAD:

S. 4074. A bill to place postmasters at fourth-class post offices on an annual-salary basis, and fix their rate of pay; and provide allowances for rent, fuel, light, and equipment, and fix the rates thereof; to the Committee on Post Offices and Post Roads.

By Mr. McCARRAN:

S. 4075. A bill extending the jurisdiction of the Civil Aeronautics Authority over certain air-mail services, and for other purposes; to the Committee on Commerce.

By Mr. McKELLAR:

S. 4076. A bill to amend section 4021 of the Revised Statutes and to repeal section 4023 of the Revised Statutes relating to establishment of postal agencies; to the Committee on Post Offices and Post Roads.

By Mr. WHEELER:

S. 4077. A bill granting a pension to Hattie Bickerdyke; to the Committee on Pensions.

By Mr. MINTON:

S. 4078 (by request). A bill to authorize the appropriation of $200,000 for the purpose of constructing a national airport and aviation school at Indianapolis, Marion County, Ind., for training Negro citizens to become aviators in the United States Aviation Corps, and as aviators in the United States Army and the Government's subsidies; to the Committee on Military Affairs.

By Mr. BRIDGES:

S. 4079. A bill to authorize the acquisition of a site for a United States Post Office at Woodsville, N. H.; to the Committee on Public Buildings and Grounds.

By Mr. SHEPPARD:

S. 4080. A bill for the relief of William I. Ryan; to the Committee on Military Affairs.

By Mr. BILBO:

S. 4081. A bill for the relief of Harrison Smith; to the Committee on Claims.

S. J. Res. 268. Joint resolution authorizing the Interstate Commerce Commission to postpone the effective date of an order relating to joint rates between certain motor carriers

and forwarding companies not conducting motor-vehicle operations; to the Committee on Interstate Commerce.

RIVER AND HARBOR DEFENSE IMPROVEMENTS—AMENDMENT AS TO INTRACOASTAL WATERWAY, SHARK AND HACKENSACK RIVERS, N. J.

Mr. BARBOUR submitted an amendment intended to be proposed by him to the bill (H. R. 9925) authorizing the improvement of certain rivers and harbors in the interest of the national defense, and for other purposes, which was referred to the Committee on Commerce and ordered to be printed.

AMENDMENT OF RECONSTRUCTION FINANCE CORPORATION ACT—FOREIGN SILVER

Mr. TOWNSEND submitted an amendment intended to be proposed by him to the bill (S. 3938) to authorize the purchase by the Reconstruction Finance Corporation of stock of Federal home-loan banks; to amend the Reconstruction Finance Corporation Act, as amended; and for other purposes, which was ordered to lie on the table and to be printed.

TEN-PERCENT REDUCTION IN REGULAR GOVERNMENTAL EXPENDITURES—AMENDMENT

Mr. BYRD. Mr. President, I ask unanimous consent to submit an amendment to House Joint Resolution 544, the work relief and relief resolution, the amendment to be laid on the desk until that measure shall be presented to the Senate. The amendment reads:

SEC. —. That all appropriations for the regular expenditures of the Government for the fiscal year ending June 30, 1941, shall be reduced by an amount not less than 10 percent of the total of such appropriations. The provisions of this section shall not apply to the fixed charges of Government, expenditures for the national defense, and expenditures out of trust funds.

The adoption of this amendment will reduce the cost of the Government approximately $500,000,000 annually.

Mr. McCARRAN. Mr. President, does the amendment mean a reduction in the pay of Federal employees?

Mr. BYRD. It means a reduction in the pay of Federal employees provided the 10-percent reduction cannot be absorbed by other reductions and economies in the respective departments.

Mr. McCARRAN. I will oppose with everything in my being a reduction in the pay of Federal employees, because I think they are the most underpaid workers in the United States today.

Mr. BYRD. It also provides for a reduction of salaries of Senators and Representatives by 10 percent.

The VICE PRESIDENT. The Chair understands that the Senator desires to have the amendment lie on the table, not to be referred to a committee.

Mr. BYRD. I ask that it lie on the table until the work relief and relief joint resolution shall be presented to the Senate. Of course, I ask that it be printed, and printed in the RECORD, as I have read it.

The VICE PRESIDENT. Without objection, the amendment will be printed and lie on the table.

BENEFIT PAYMENTS AND RESERVES IN UNEMPLOYMENT COMPENSATION SYSTEM

Mr. LODGE. Mr. President, I have been making a study of the adequacy of benefit payments and the extent of reserves in our unemployment-compensation system. I ask unanimous consent to have printed in the RECORD correspondence which I have had with Mr. Altmeyer in regard to this matter.

The VICE PRESIDENT. Is there objection? The Chair hears none.

The correspondence is as follows:

APRIL 30, 1940.

Hon. A. J. ALTMEYER,
Chairman, Social Security Board, Washington, D. C.

DEAR MR. ALTMEYER: Have we not sufficient experience to enable us to revise the existing Federal standards for State unemployment-compensation laws, both as to size of fund, size of benefit payments, and duration of waiting and payment periods? I shall be glad to have your views in regard thereto.

Sincerely yours,

H. C. LODGE, JR.

FEDERAL SECURITY AGENCY,
SOCIAL SECURITY BOARD,
Washington, May 11, 1940.

Hon. H. C. LODGE, Jr.,
United States Senate, Washington, D. C.

DEAR SENATOR LODGE: The following comments are in reply to your letter of April 30, inquiring whether there is now sufficient experience available to enable us to revise existing Federal standards for State unemployment compensation laws as to size of fund and of benefit payments and the duration of waiting and payment periods.

As you are aware, Federal standards for State unemployment-compensation laws with respect to the size of State funds, scale of benefit payments, etc., actually exist only in the sense that a certain scale of benefit payments was originally estimated by the Committee on Economic Security as possible for the United States as a whole on the basis of a 3-percent contribution rate, and that certain recommendations as to benefit provisions have been made to the States by the Social Security Board. Up to date no Federal law has required the maintenance by the States of any specific reserve fund or minimum scale of benefit payments. The present situation is that there are inadequate scales of benefits in all States, with an accumulation of excessive reserves in many of them, and there is a possibility that the continuance of such accumulation will lead to a reduction of contribution rates to dangerously low levels without any effort to attain an adequate benefit structure, or even to levels at which the present scale of payments cannot be continued.

Preliminary studies by the Board now in progress, based upon experience of 1932–39, indicate that 16 weeks of benefits with a 1-week waiting period, weekly benefits of about 50 percent of the weekly wage with a $5 minimum and a $20 maximum, and partial unemployment benefits, probably could be supported, for the Nation as a whole, by a contribution rate in all States of 2.7 percent—the present generally prevailing rate. These standards would appear to represent the very minimum approach to adequacy which should be considered. In spite of this, no one State pays benefits on a scale which meets these standards in all respects, and some States fall below such standards in several respects. The need then seems obvious for some plan which will preclude any State from reducing its average rate of contributions unless it has met and can maintain such standards.

Certain States with large reserve accumulations could pay benefits conforming to the above-described minimum standards with a contribution rate lower than 2.7 percent. It might appear advisable that such States be allowed to lower their contribution rates, either uniformly for all employers or for particular employers on the basis of their experience with respect to stabilization of employment. Such reductions in contribution rates should be allowed, however, only if the minimum-benefit standards described are preserved, and necessarily only if a specified minimum reserve is maintained.

Some States, on the other hand, may, over the course of a business cycle, find it impossible to maintain even the described minimum-benefit standards with a 2.7-percent contribution rate. Studies by the Board of State unemployment experience to date indicate that this is particularly likely to be true of highly industrialized States. This leads to the conclusion that some form of national reinsurance fund may be necessary for the preservation of minimum-benefit standards in the States in general. Moneys from such fund would, of course, be disbursed only to States which found it impossible to maintain the minimum standards by their own contribution collections made at the prescribed rate. A proposal which has been made is that one source of funds for such reinsurance should be the excess of the moneys collected under the Federal Unemployment Tax Act over the amount appropriated to the States for administration of their unemployment compensation acts. At the present time this excess amounts to between $20,000,000 and $30,000,000 per year. The total excess collected since 1936 is about $120,000,000.

While, as stated, a 2.7-percent contribution rate for the Nation as a whole would probably enable benefits to be paid to eligible claimants for 16 weeks of unemployment, it may be questioned whether such a duration can be described as reasonably adequate. To the extent, however, that provision is made to pay benefits on a scale that would more fully accomplish the purposes of the unemployment-compensation program, it would be necessary to provide for other sources of income for the reinsurance fund.

The questions you have raised in your letter pertain to the most significant problems now confronting the unemployment-compensation program. Please feel free to call upon me again if at any time you desire further advice or information on this subject.

Sincerely yours,

A. J. ALTMEYER, *Chairman.*

ECONOMIC EQUALITY—ADDRESS BY HON. DAVID E. LILIENTHAL

[Mr. HILL asked and obtained leave to have printed in the RECORD an address by Hon. David E. Lilienthal, Director, Tennessee Valley Authority, before the Southern Newspaper Publishers' Association, at Mineral Wells, Tex., May 21, 1940, which appears in the Appendix.]

ADDRESS BY DR. J. F. ZIMMERMAN TO NEW MEXICO BANKERS' ASSOCIATION

[Mr. HATCH asked and obtained leave to have printed in the RECORD an address on the subject American Foreign Relations Today, delivered by Dr. J. F. Zimmerman, president of the University of New Mexico, to the New Mexico Bankers' Association at Albuquerque, N. Mex., on May 16, 1940, which appears in the Appendix.]

COMMUNISTS AND NAZIS ON BORDER

[Mr. LEE asked and obtained leave to have printed in the RECORD an article from the Washington Daily News of May 31, 1940, under the heading "Communists and Nazis concentrated on border," which appears in the Appendix.]

DEVELOPMENT OF TRADE AND COMMERCIAL RELATIONSHIPS WITH BRAZIL

[Mr. SCHWELLENBACH asked and obtained leave to have printed in the RECORD several editorials discussing the development of trade and commercial relationships between the United States and Brazil, which appear in the Appendix.]

ATTITUDE OF LABOR TOWARD NATIONAL DEFENSE

[Mr. HOLMAN asked and obtained leave to have printed in the RECORD an article from the Washington Daily News of May 31, 1940, on the attitude of British labor toward national defense; and an article from the Washington Evening Star of May 31, 1940, on the attitude of American labor toward national defense, which appear in the Appendix.]

NATIONAL DEFENSE—ARTICLE FROM ST. LOUIS POST-DISPATCH

[Mr. TRUMAN asked and obtained leave to have printed in the RECORD an article on national defense by Richard L. Stokes, published in the St. Louis Post-Dispatch of May 19, 1940, which appears in the Appendix.]

RELATION OF FLOOD-CONTROL PROJECT AT HARTFORD, CONN., TO NATIONAL DEFENSE

[Mr. MALONEY asked and obtained leave to have printed in the RECORD an editorial from the Hartford Times, of Hartford, Conn., of the issue of May 29, 1940, under the heading "Dikes, etc., and airplane engines," which appears in the Appendix.]

A CLEAR ISSUE—EDITORIAL FROM SALIDA (COLO.) DAILY MAIL

[Mr. JOHNSON of Colorado asked and obtained leave to have printed in the RECORD an editorial from the Salida (Colo.) Daily Mail of May 21, 1940, entitled "A Clear Issue," which appears in the Appendix.]

CIVILIAN CONSERVATION CORPS IN NEW YORK STATE

[Mr. MEAD asked and obtained leave to have printed in the RECORD a statement by Mr. Guy D. McKinney, assistant to the Director, Civilian Conservation Corps, regarding the Civilian Conservation Corps in New York State, which appears in the Appendix.]

MESSAGES FROM THE PRESIDENT—APPROVAL OF BILLS

Messages in writing from the President of the United States were communicated to the Senate, by Mr. Latta, one of his secretaries who also announced that the President had approved and signed the following acts:

On May 20, 1940:

S. 3251. An act to amend sections 16 and 17 of chapter II of the act of June 19, 1934, entitled "An act to regulate the business of life insurance in the District of Columbia."

On May 24, 1940:

S. 1036. An act to authorize the purchase of certain lands adjacent to the Turtle Mountain Indian Agency in the State of North Dakota.

On May 27, 1940:

S. 2578. An act to designate the lock and dam at Alton, Ill., as the Henry T. Rainey Dam;

S. 3016. An act to amend the act approved February 15, 1929, entitled "An act to permit certain warrant officers to count all active service rendered under temporary appointments as warrant or commissioned officers in the Regular Navy, or as warrant or commissioned officers in the United States Naval Reserve force, for purpose of promotion to chief warrant rank," so as to permit service in the National Naval Volunteers to be counted for purposes of promotion;

S. 3017. An act to amend the act entitled "An act to authorize an exchange of lands between the Richmond, Fredericksburg & Potomac Railroad Co. and the United States at Quantico, Va." approved June 24, 1935 (49 Stat. 395), so as to permit the removal of certain encumbrances on the lands concerned;

S. 3183. An act to extend the time for completing the construction of a bridge across the Mississippi River at or near La Crosse, Wis.;

S. 3254. An act to extend the times for commencing and completing the construction of a bridge across the Mississippi River at or near Friar Point, Miss., and Helena, Ark.;

S. 3561. An act to extend the times for commencing and completing the construction of a bridge across the Ohio River at or near Mauckport, Harrison County, Ind.;

S. 3570. An act to grant the consent of Congress to the Commonwealth of Pennsylvania to construct, maintain, and operate a free highway bridge across the Allegheny River at or near Port Allegany borough, Liberty Township, in the county of McKean, and in the Commonwealth of Pennsylvania;

S. 3571. An act to grant the consent of Congress to the Commonwealth of Pennsylvania to construct, maintain, and operate a free highway bridge across the Monongahela River, at a point between the boroughs of Elizabeth, in Elizabeth Township, and West Elizabeth, in Jefferson Township, in the county of Allegheny, and in the Commonwealth of Pennsylvania; and

S. 3575. An act to make better provision for the teacher of music, the leader of the Military Academy Band.

On May 28, 1940:

S. 229. An act to authorize the withdrawal of national-forest lands for the protection of watersheds from which water is obtained for municipalities, and for other purposes;

S. 255. An act authorizing the Secretary of War to convey to the port of Cascade Locks, Oreg., certain lands for municipal purposes;

S. 2980. An act providing for the sale of certain lands to the Arizona State Elks Association Hospital;

S. 2999. An act to legalize a bridge across Bayou Lafourche at Galiano, La.;

S. 3402. An act to authorize the granting of a right-of-way for roadway purposes on the Fort Thomas Military Reservation, Ky., in exchange for the release of property rights in and to a certain road on said reservation; and

S. 3423. An act to increase the number of brigadier generals of the line of the Regular Army by four.

On May 31, 1940:

S. 1214. An act to provide for a more permanent tenure for persons carrying the mail on star routes.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Calloway, one of its reading clerks, announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 8668) making appropriations for the fiscal year ending June 30, 1941, for civil functions administered by the War Department, and for other purposes; that the House receded from its disagreement to the amendments of the Senate numbered 13, 14, 15, 16, 17, 18, 19, and 20 to the bill, and concurred therein; that the House receded from its disagreement to the amendments of the Senate numbered 7, 12, 21, and 22 to the bill, and concurred therein, severally with an amendment, in which it requested the concurrence of the Senate, and that the House insisted upon its disagreement to the amendments of the Senate numbered 3, 4, 5, 6, 8, and 11 to the bill.

ENROLLED BILLS AND JOINT RESOLUTIONS SIGNED

The message also announced that the Speaker had affixed his signature to the following enrolled bills and joint resolutions, and they were signed by the Vice President:

S. 1239. An act for the relief of Priscilla M. Noland;

S. 1289. An act for the relief of the city of Leavenworth, Kans.;

S. 1445. An act for the relief of Bruno Arena;

S. 1474. An act for the relief of Thomas G. Abbitt;

S. 1839. An act for the relief of Le Roy Breithaupt;

S. 1942. An act for the relief of the legal representatives of Anna Barbara Kosick, deceased;

S. 2199. An act for the relief of Isadore J. Friedman;

S. 2234. An act for the relief of Walter R. Maguire;

S. 2268. An act for the relief of Roxie Richardson;

S. 2419. An act for the relief of Walter J. Hogan and W. R. Larkin in connection with the construction, operation, and maintenance of the Fort Hall Indian irrigation project, Idaho;

S. 2572. An act for the relief of Anna M. Shea;

S. 2667. An act for the relief of Mr. and Mrs. John W. Finley;

S. 2798. An act for the relief of Charles H. Parr;

S. 3071. An act for the relief of Luther Devoe;

S. 3073. An act for the relief of Verle S. Ward;

S. 3091. An act for the relief of Barnet Warren;

S. 3092. An act for the relief of Maj. John R. Holt;

S. 3233. An act for the relief of C. T. Jensen;

S. 3304. An act for the relief of J. Frank Kuner, private, uniformed force, United States Secret Service;

S. 3307. An act to amend an act entitled "An act for the relief of Mrs. A. R. Barnard, Charles A. Stephens, Donald W. Prairie, and dependents of Vern A. Needles," approved July 15, 1939;

S. 3328. An act for the relief of Dorothy Crossing;

S. 3487. An act for the relief of the heirs of Lt. William Lee Clemmer, Coast Guard;

S. 3789. An act for the relief of the Eberhart Steel Products Co., Inc.;

H. R. 169. An act to facilitate the control of soil erosion and/or flood damage originating upon lands within the exterior boundaries of the Cleveland National Forest in San Diego County, Calif.;

H. R. 952. An act for the relief of Indians who have paid taxes on allotted lands for which patents in fee were issued without application by or consent of the allottees and subsequently canceled, and for the reimbursement of public subdivisions by whom judgments for such claims have been paid;

H. R. 1312. An act granting a pension to Ernest Francis White;

H. R. 1379. An act granting a pension to Timothy A. Linehan;

H. R. 1843. An act for the relief of the estate of K. J. Foss;

H. R. 2009. An act to facilitate the control of soil erosion and/or flood damage originating upon lands within the exterior boundaries of the Angeles National Forest, Calif.;

H. R. 2143. An act granting a pension to Helen M. Crowley;

H. R. 2273. An act granting a pension to Lizzie May Wilbur Clayton;

H. R. 2285. An act granting a pension to Maud Patterson;

H. R. 3048. An act to confer jurisdiction on the State of Kansas over offenses committed by or against Indians on Indian reservations;

H. R. 3138. An act authorizing J. E. Pate, his successors and assigns, to construct, maintain, and operate a bridge or ferry across the Rio Grande at Boca Chica, Tex.;

H. R. 3233. An act to repeal certain acts of Congress (pocket vetoed);

H. R. 3955. An act to amend section 335 (d) of the Agricultural Adjustment Act of 1938;

H. R. 4229. An act authorizing the conveyance to the Commonwealth of Virginia a portion of the naval reservation known as Quantico in Prince William County, Va.;

H. R. 4282. An act to amend the act of June 30, 1936 (49 Stat. 2041), providing for the administration and maintenance of the Blue Ridge Parkway, in the States of Virginia and North Carolina, by the Secretary of the Interior, and for other purposes;

H. R. 4349. An act for the relief of the estate of Lewis Marion Garrard Hale;

H. R. 4394. An act granting a pension to James G. Bailey;

H. R. 4832. An act for the protection of the bald eagle;

H. R. 5007. An act granting a pension to John W. Swoveland;

H. R. 5089. An act conferring jurisdiction upon the Court of Claims of the United States to hear, examine, adjudicate, and render judgment on the claim of the legal representative of the estate of Rexford M. Smith;

H. R. 5404. An act to extend the provisions of the Forest Exchange Act, as amended, to certain lands so that they may become part of the Ochoco National Forest, Oregon;

H. R. 5459. An act for the relief of George F. Lewis, administrator of the estate of Margaret R. Lewis;

H. R. 5477. An act for the benefit of the Indians of the Crow Reservation, Mont., and for other purposes;

H. R. 5784. An act to provide for the conservation and transfer of accumulated sick leave and vacation time due classified civil-service employees who succeed to the position of postmaster, and for other purposes;

H. R. 5880. An act to incorporate the Navy Club of the United States of America;

H. R. 5906. An act to repeal the prohibition against the filling of a vacancy in the office of district judge for the southern district of New York;

H. R. 5918. An act amending Public Law No. 96 of the Seventy-fifth Congress, being an act entitled "An act amending section 2 of Public Law No. 716 of the Seventy-fourth Congress, being an act entitled 'An act to relieve restricted Indians whose lands have been taxed or have been lost by failure to pay taxes, and for other purposes' ";

H. R. 5961. An act granting to the regents of the University of New Mexico the right to alienate certain lands conveyed to them under authority of the act of Congress, approved August 19, 1935 (49 Stat. 659), in exchange for an equivalent amount of land more expediently situated;

H. R. 6481. An act to authorize the conveyance of the United States fish hatchery property at Put in Bay, Ohio, to the State of Ohio;

H. R. 6552. An act for the relief of Mrs. Gottlieb Metzger;

H. R. 6681. An act granting a pension to Capt. Victor Gondos, Jr.;

H. R. 6751. An act to repeal certain laws with respect to manifests and vessel permits;

H. R. 6964. An act for the relief of Mr. and Mrs. Nathan Kaplan;

H. R. 7018. An act to amend section 289 of the Criminal Code;

H. R. 7020. An act to amend section 2 of the act of March 4, 1931 (46 Stat. 1528), in regard to service of process on the United States in foreclosure actions;

H. R. 7072. An act for the relief of Esther Ross;

H. R. 7078. An act to authorize the acquisition by the United States of lands in Manchester and Jackson Townships of the county of Ocean and State of New Jersey for use in connection with the naval air station, Lakehurst, N. J.;

H. R. 7084. An act to amend the act entitled "An act to regulate proceedings in adoption in the District of Columbia," approved August 25, 1937;

H. R. 7147. An act to amend the service pension acts pertaining to the War with Spain, Philippine Insurrection, and the China Relief Expedition to include certain continuous service;

H. R. 7306. An act for the relief of John R. Elliott;

H. R. 7530. An act to transfer the site and buildings of the Tomah Indian School to the State of Wisconsin;

H. R. 7615. An act authorizing the Bradenton Co., its successors and assigns, to construct, maintain, and operate a toll bridge across Sarasota Pass, and across Longboat Pass, county of Manatee, State of Florida;

H. R. 7733. An act to provide increased pensions for veterans of the Regular Establishment with service-connected disability incurred in or aggravated by service prior to April 21, 1898;

H. R. 7833. An act to set aside certain lands for the Minnesota Chippewa Tribe in the State of Minnesota, and for other purposes;

H. R. 7853. An act for the relief of the Gallup Mercantile Co., of Gallup, N. Mex.;

H. R. 7901. An act to transfer certain Indian lands to the Grand River Dam Authority, and for other purposes;

H. R. 8086. An act to make it a crime to wreck or attempt to wreck a train engaged in interstate commerce;

H. R. 8119. An act to amend the Criminal Code so as to confer concurrent jurisdiction on courts of the United States over crimes committed on certain Federal reservations;

H. R. 8283. An act to amend section 4370 of the Revised Statutes of the United States (U. S. C., 1934 ed., title 46, sec. 316);

H. R. 8292. An act for the relief of Erich Hecht, Grete J. L. Hecht, and Erich F. Hecht, Jr.;

H. R. 8317. An act for the relief of the Hermosa-Redondo Hospital, C. Max Anderson, Julian O. Wilke, Curtis A. Wherry, Hollie D. Murray, Ruth M. Laird, Sigrid I. Olsen, and Stella S. Guy;

H. R. 8373. An act to amend section 79 of the Judicial Code, as amended;

H. R. 8403. An act to convey certain lands to the State of Wyoming;

H. R. 8423. An act to amend an act entitled "An act to increase the efficiency of the Coast Guard," approved January 12, 1938;

H. R. 8452. An act to declare Frankford Creek, Pa., to be a nonnavigable stream;

H. R. 8475. An act to limit the interpretation of the term "products of American fisheries";

H. R. 8491. An act authorizing the county of Knox, State of Nebraska, to construct, maintain, and operate a toll bridge across the Missouri River at or near Niobrara, Nebr.;

H. R. 8537. An act to provide for the enlargement of the Coast Guard depot at Seattle, Wash., and for the establishment of a Coast Guard servicing base at or near Chattanooga, Tenn.;

H. R. 8589. An act to authorize the county of Burt, State of Nebraska, to construct, maintain, and operate a toll bridge across the Missouri River at or near Decatur, Nebr.;

H. R. 8749. An act to extend the times for commencing and completing the construction of a bridge across the Missouri River at or near Petersburg, Mo.;

H. R. 8958. An act to authorize the Secretary of the Interior to grant to the county of Wayne, State of Michigan, an easement over certain land of the United States in Wayne County, Mich., for a sewage-disposal line;

H. R. 8983. An act authorizing the Secretary of the Navy to accept on behalf of the United States a gift of the yacht *Freedom* from Sterling Morton;

H. R. 9013. An act to transfer Hardeman County, Tex., from the Fort Worth division to the Wichita Falls division of the northern judicial district of Texas;

H. R. 9094. An act to extend the times for commencing and completing the construction of a bridge across the Mississippi River at or near Winona, Minn.;

H. R. 9115. An act to authorize the Commissioners of the District of Columbia to provide for the parking of automobiles in the Municipal Center;

S. 9118. An act to provide for the reimbursement of travel expenses to certain employees of the Corps of Engineers, United States Army;

H. R. 9210. An act to amend an act entitled "An act to establish a Board of Indeterminate Sentence and Parole for the District of Columbia, and to determine its functions, and for other purposes," approved July 15, 1932, and for other purposes;

H. R. 9236. An act to amend the act entitled "An act to provide books for the adult blind," approved March 3, 1931;

H. R. 9261. An act to extend the times for commencing and completing the construction of a railroad bridge across the Missouri River at or near Randolph, Mo.;

H. R. 9271. An act to extend the existence of the Alaskan International Highway Commission for an additional 4 years, and for other purposes;

H. R. 9381. An act to provide for the alteration of certain bridges over navigable waters of the United States, for the apportionment of the cost of such alterations between the United States and the owners of such bridges, and for other purposes;

H. R. 9394. An act to provide for the establishment of the Cumberland Gap National Historical Park in Tennessee, Kentucky, and Virginia;

H. R. 9411. An act to extend the times for commencing and completing the construction of a bridge across the St. Lawrence River at or near Ogdensburg, N. Y., and for other purposes;

H. R. 9441. An act to accept the grant to the United States of certain land by the State of South Carolina and to authorize its use by the United States Coast Guard;

H. R. 9492. An act making it a misdemeanor to stow away on vessels and providing punishment therefor;

H. R. 9553. An act to amend and clarify certain acts pertaining to the Coast Guard, and for other purposes;

H. R. 9595. An act to postpone for 1 year the date of the transmission to Congress by the United States Coronado Exposition Commission of a statement of its expenditures;

H. J. Res. 265. Joint resolution authorizing the Bureau of Labor Statistics to make studies of productivity and labor costs in industry;

H. J. Res. 302. Joint resolution to authorize compacts or agreements between or among the States bordering on the Atlantic Ocean, with respect to fishing in the territorial waters and bays and inlets of the Atlantic Ocean on which such States border, and for other purposes;

H. J. Res. 385. Joint resolution establishing a Greenville Memorial Commission to formulate plans for the construction of a memorial building to commemorate the Treaty of Greene Ville, at Greenville, Ohio;

H. J. Res. 400. 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;

H. J. Res. 490. Joint resolution providing for an annual appropriation to meet the share of the United States toward the expenses of the International Technical Committee of Aerial Legal Experts, and for participation in the meetings of the International Technical Committee of Aerial Legal Experts and the commissions established by that committee;

H. J. Res. 496. Joint resolution providing for more uniform coverage under the Railroad Retirement Acts of 1935 and 1937, the Carriers' Taxing Act of 1937, and subchapter B of chapter 9 of the Internal Revenue Code; and

H. J. Res. 537. Joint resolution to make temporary emergency provision for the determination of foreign construction costs under section 502 (b) of the Merchant Marine Act, 1936, as amended.

REORGANIZATION PLAN NO. V

The Senate resumed the consideration of the resolution (H. J. Res. 551) providing for the taking effect of Reorganization Plan No. V.

The VICE PRESIDENT. When the Senate took a recess yesterday it had under consideration House Joint Resolution 551; the Senator from Nebraska [Mr. NORRIS] had the floor, and announced that he had not concluded his remarks. The Chair recognizes the Senator from Nebraska.

Mr. NORRIS. Mr. President, if there ever was a time when our people, and especially the Congress of the United States, should be calm and deliberate, and not be carried away by clamor or hysteria even for a just and noble cause, that time, I think, is now.

In my opinion, one of the acts which would lead us into trouble, and cause us to do things that in years to come our descendants would regret, would be to take any hasty or ill-considered action affecting the civil liberties of our people. In order to preserve those liberties, as I see the matter, it is

incumbent upon those in authority to take no action now or at any other time which will interfere with or take away from our people the liberties and the rights which are preserved to them and to us by our Bill of Rights.

In order to preserve these rights, we ought, if we can, to make our Government worthy of the love and the esteem of all our citizens and of all the civilized world. Hitlerism and fascism and communism cannot grow in any land where the love of country prevails and where prosperity and happiness reign among the great common people.

Hitlerism and communism require a polluted soil, the only kind on which the seeds of disunion, bolshevism, Stalinism, and Hitlerism, can grow and propagate. Anything which detracts from the love and the admiration our people may have for their flag and their country prepares the ground for seed which will grow into hatred, murder, and chaos, as exemplified by the doctrines of the tyrants I have mentioned.

Tyranny will not grow or thrive in a pure, healthy environment, and Hitlerism is the system which grows only in corruption and dishonor. It is because I think the civil liberties of our people would be to some extent endangered and injured if the pending joint resolution should be enacted that I have had the temerity to raise my weak voice in protest.

The practices of the Federal Bureau of Investigation have brought no credit to the fundamental principles of human freedom and human liberty. The practices and procedures of that Bureau do not tend to build up a love of country, especially among the most ignorant and uneducated portions of our people. I think the practices followed and used by this organization in recent years show conclusively that the same methods are being used and the same objects are sought to be attained as were apparent in the arrest and imprisonment of thousands of people 20 years ago, mainly by this very organization. Although the raid in Detroit took place technically under the authority of the Attorney General, the warrants which were issued and the processes which were followed were, as far as possible, those of the Bureau of Naturalization in the Department of Labor. It is because I fear that the same practices will be used and continued to the detriment of the civil liberties of our people that I feel that the enactment of the pending joint resolution would be well nigh a catastrophe.

It does not appear at first blush that these practices are bringing about evil, because the seed is sown deep down in the hearts even of little children who witness the methods employed, and those seeds will grow, they will live as long as the children live, and will raise doubt and fear in their hearts as to their own country. That silent influence, which grows up during the years when it is to a great extent unobserved, constitutes a danger which will follow any interference with the rights of any person, even of aliens who happen to be residing in this land, and who come under the influence and the domination of the processes to which resort is had.

Mr. President, I spoke yesterday of the Carlson case, in Fremont, Nebr. I cite it only because it is an incident similar to others, similar to what occurred in Detroit, which has been approved by the Attorney General, similar to what happened in 1920 in connection with the famous raids of the 2d of January of that year. I refer to it now only as an incident.

Carlson was a man admittedly innocent of any crime, admittedly arrested under a warrant issued for a different man entirely, whose description was not at all like that of Carlson. Carlson was a man who had served his country in France in the battles of the World War, a man who admittedly had suffered from that service. He was living quietly in his home, not suspecting that anyone was making a charge of crime against him. He was arrested and searched on the front porch of the house where he was living, and then, in a defenseless condition, was taken by Hoover's men into the house, into the presence of his family, and handcuffed.

Will that picture ever be forgotten by his sons, one 11 years old and the others ranging up to 16? Whatever life may have in store for them, will they ever forget the time when, in the presence of their mother, their father, in the custody of F. B. I. men, had his innocent hands handcuffed, and in that condition was taken to the jail of the county? It perhaps did not appeal to them then that he was denied the right of counsel, that he was at first denied even information as to what was the charge against him, but they will remember their father. He was a loving father. Although extremely poor, the family was respectable and was respected in the community by all the people. Will that picture tend to make those boys good citizens of the United States as they grow up, when they realize that under their own Government, which their father had taught them to love, he was handcuffed and chained and thrown into prison for a crime of which he was not guilty under conditions which called for no such inhuman treatment?

Mr. President, how many thousands of little Carlsons are there in the United States? How many thousands who were children at the time of the Palmer raid, of which Mr. Hoover had charge, have now grown up to become men and women, and will take our places here and in other places of power in the Government of the United States? If poverty continues with them, if the kind of conduct exemplified by the Palmer raid continues, and they see it continued in all parts of the United States, will that have a tendency to make them love our flag? Will they become patriotic citizens? Will such actions on the part of Government officials instill in the hearts of the children of the country today some doubt whether their own fathers have not been abused and ill-treated by men who are sworn to uphold the law, but who are violating the law they were sworn to uphold?

Mr. President, it is that situation which alarms me. The time will come, if it is not already here, when we shall need the support of all our people, rich and poor alike, when we shall need the patriotism that comes only from loving hearts. But we cannot expect the children of the country to have the patriotism we need, or expect them to have loving hearts, if they are obliged to witness acts of tyranny of the kind which should be expected only under the rule of a dictator or a tyrant.

Mr. President, in the short time I have had to prepare for this debate I have been physically unable, because of the lack of time, to gather together the statistics, the records, and the official reports I should like to have laid before my brethren here for their consideration. I have tried to gather together some reports in a few hours. It would require at least 30 days to go over the voluminous record. I shall have to present to the Senate in a rather informal way statistics and documents which will perhaps not come in chronological or logical order, and I ask the forbearance of my colleagues and ask them to consider the volumes which ought to be studied if we are to pass on this question properly, and which ought to be digested in order to make a logical and a fair presentation of the case.

Mr. President, before I read some extracts I wish to say that it seems to me that now, instead of being carried off our feet, we should confine our efforts to building up in this country a solid belief in the theories of our Government, a firm belief that we shall protect the liberties of all, whether rich or poor; whether old or young; whether powerful or weak. We want to have—and we ought to have—a country which will emerge from the terrible catastrophe which is now almost blotting out the civilization of the world, with those doctrines at the masthead of the ship of state upon which our forefathers based their declaration of the right of human beings to be independent, to be free; doctrines contrary to the teachings of tyrants and dictators, whose methods and actions we abhor. We ought to emerge as a nucleus around which a dying world may assemble and struggle and be upheld in the preservation of the rights of humanity. We want to emerge from this terrible catastrophe, a people free from prejudice, free from oppression. We wish to be a country which gives to all alike the fundamental rights of human liberty which the Bill of Rights has sought to establish as a fundamental cornerstone of our Government; where tyranny

does not prevail; where human love, the family, and the fireside are the prime considerations and bulwarks to be maintained.

We ought to wish for that time. Bryant described it:

There shall come a time when no grief shall gnaw the heart, and never shall a tender tie be broken; when the eternal change that waits on growth and action shall proceed with everlasing concord, hand in hand.

Mr. President, we want to be on the side of right and righteousness, and we should avoid doing anything that would have a tendency to take away from us and our people the love of country, which we wish to inspire in and teach to our children and our children's children.

Mr. President, it will appear as I proceed that the official report in the infamous and disgraceful Palmer raid was made to Mr. Hoover, the man who is now perhaps one of the most popular heroes of the day; the man who spends thousands of dollars of the taxpayers' money to advertise himself and his business; the greatest advertiser since Barnum. I am afraid that in the enthusiasm of the day and the hour, our people may be carried away, and may be led astray in the years to come, when neither I nor my colleagues will be able to raise our voices here. So I should dislike to see that any step be taken now which would interfere with cherished civil liberties.

In the hearings on the emergency supplemental appropriation bill for 1940, before a subcommittee of the Appropriations Committee of the House of Representatives, Mr. Hoover testified. I shall begin reading at the bottom of page 303 of those hearings.

As a justification for this increase—

This is Mr. Hoover speaking, asking for an increase in appropriations—

I would like to point out that in the fiscal year 1938 we received 250 complaints involving matters pertaining to the national defense, which includes violations of the espionage, sabotage, and related national-defense statutes.

He was asked the question by Representative CANNON:

These came from private individuals?

Mr. HOOVER. These complaints were received not only from private individuals but also from local law-enforcement agencies. During the fiscal year 1939, which ended June 30, 1939, we received a total of 1,651 such complaints.

Mr. SNYDER. From Washington, D. C.?

Mr. HOOVER. From the entire country. At the present time we are receiving 214 complaints necessitating investigative attention daily. If that average continues, we will receive a total of approximately 78,000 complaints for the year. This comparison is indicative of the increase in the volume of this work. If conditions become more acute abroad, such complaints will increase materially.

Mr. LAMBERTSON. They are going over the heads of the local police officers?

Mr. HOOVER. That is impossible to determine without first investigating the complaints received. I do know that the complaints received by the F. B. I. refer to violations of the Federal statutes and not to violations of local statutes.

Mr. LUDLOW. About what percentage are you able to dispose of as being preposterous on their face?

This is the particular thing which I wanted to bring out. He is asked the question, of the 78,000 complaints in a year:

About what percentage are you able to dispose of as being preposterous on their face?

Mr. Hoover said:

Not any of these 214 are of that character. Because of the source, many complaints can be disposed of without making any extensive investigation.

Mr. LUDLOW. What is your experience as to the percentage of the complaints that have not any substance?

I think this answer is important to consider:

Mr. HOOVER. A comparatively small percentage of them.

Remember the question:

What is your experience as to the percentage of the complaints that have not any substance?

Mr. Hoover answered:

A comparatively small percentage of them.

That is, I take it most of them are genuine and have foundation of fact.

For instance, we recently received complaints of sabotage against certain large liners. Several such complaints have been given to us in reference to those ships. They came from sources considered reliable. Steps had to be taken promptly to make certain that proper protection is accorded to them.

I read that, Mr. President, to show the nature of the business of which Mr. Hoover is in charge, the large amount of business, and the tremendous number of complaints which he says are well-founded, having to do with various activities against the Federal Government. My own idea is that such complaints will increase just so long as we increase the activity of Mr. Hoover and approve the method of procedure which he follows. I think that will appear later.

Mr. KING. Mr. President, would it interrupt the Senator for me to ask him a question at this point?

Mr. NORRIS. No.

Mr. KING. Was there anything in the record indicating that complaints had been made to the local authorities and that they had refused to take action, which prompted the complainants to appeal to Mr. Hoover and his organization?

Mr. NORRIS. Not that I know of. I have not found anything of the kind.

Mr. KING. Was there anything to indicate that complaints were related to violations of Federal statutes, or were they related to violations of local statutes, which violations ought to have been proceeded against by local organizations?

Mr. NORRIS. I cannot answer that question. That is another question—and a very proper one, I think—which I believe I should have been able to answer if I had had time at my disposal to go over the very voluminous records of the past 20 years.

Mr. President, I have before me a book entitled "Federal Justice," written by Homer Cummings and Carl McFarland. As we know, Homer Cummings was for a long time, and until recently, Attorney General of the United States. In speaking of complaints and crimes, the Attorney General says:

Inevitably there were serious abuses.

I think that will be conceded by every thinking citizen.

He quotes from John Lord O'Brian:

"No other one cause contributed so much to the oppression of innocent men as the systematic and indiscriminate agitation against what was claimed to be an all-pervasive system of German espionage," said the Chief of the War Work Unit of the Department of Justice later.

That, as I understand, was John Lord O'Brian, an attorney of national reputation, of spotless character, and of admittedly great ability.

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

Mr. NORRIS. I yield.

Mr. WHEELER. I want to subscribe to everything the Senator has said about John Lord O'Brian. He was in charge in the Department of Justice during the wartime. I came to Washington to see him and to discuss the subject generally with him. Mr. O'Brian said to me, "Mr. WHEELER, my difficulty is not in getting district attorneys who will prosecute. My difficulty is in preventing district attorneys from prosecuting for treason when there is no treason whatsoever." John Lord O'Brian, who was in the Department of Justice during that time, was not only one of the ablest but one of the fairest and highest type of men with whom I came in contact during the period when I was a United States attorney.

Mr. NORRIS. I thank the Senator for his very valuable contribution.

I continue with the quotation:

"One unpleasant fact continually impressed on my associates and myself was the insistent desire of a very large number of highly intelligent men and women to become arms of the Secret Service and to devote their entire time to the patriotic purpose of pursuing spies." As many as a thousand letters a day reached the Department calling attention to individuals or acts thought to be seditious.

Notice this:

At least 95 percent of them turned out to be of no importance.

Mr. Hoover says that they are practically all important.

I read that, Mr. President, to show that honest, patriotic men and women become imbued with hysteria, and that with the best and most patriotic ideas and the purest of hearts they are carried away. As Mr. O'Brian says, they make all kinds of charges upon suspicion, which turn out to be groundless, but which cost money to investigate. This condition exemplifies the loss of confidence in our Government from which some of our people naturally suffer because of the methods pursued by those who ought to be enforcing the law instead of violating it.

Mr. President, shortly after the Palmer raid in 1920 some of the leading members of the bar of America prepared an address to the people of the United States on what had occurred in following out the Hoover methods in that disgraceful episode. I shall read that address to the Senate:

To the American people:

For more than 6 months we, the undersigned lawyers, whose sworn duty it is to uphold the Constitution and laws of the United States, have seen with growing apprehension the continued violation of that Constitution and breaking of those laws by the Department of Justice of the United States Government.

Under the guise of a campaign for the suppression of radical activities, the office of the Attorney General, acting by its local agents throughout the country, and giving express instructions from Washington, has committed continual illegal acts. Wholesale arrests both of aliens and citizens have been made without warrant or any process of law; men and women have been jailed and held incommunicado without access of friends or counsel; homes have been entered without search warrant and property seized and removed; other property has been wantonly destroyed; workingmen and workingwomen suspected of radical views have been shamefully abused and maltreated. Agents of the Department of Justice have been introduced into radical organizations for the purpose of informing upon their members or inciting them to activities; these agents have even been instructed from Washington to arrange meetings upon certain dates for the express object of facilitating wholesale raids and arrests. In support of these illegal acts, and to create sentiment in its favor, the Department of Justice has also constituted itself a propaganda bureau, and has sent to newspapers and magazines of this country quantities of material designed to excite public opinion against radicals, all at the expense of the Government and outside the scope of the Attorney General's duties.

We make no argument in favor of any radical doctrine as such, whether Socialist, Communist, or anarchist. No one of us belongs to any of these schools of thought. Nor do we now raise any question as to the constitutional protection of free speech and a free press. We are concerned solely with bringing to the attention of the American people the utterly illegal acts which have been committed by those charged with the highest duty of enforcing the law—acts which have caused widespread suffering and unrest, have struck at the foundation of American free institutions, and have brought the name of our country in disrepute. These acts may be grouped under the following heads:

(1) CRUEL AND UNUSUAL PUNISHMENTS

The eighth amendment to the United States Constitution provides:

"Excessive bail shall not be required, nor excessive fines imposed, nor cruel and unusual punishments inflicted."

Punishments of the utmost cruelty, and heretofore unthinkable in America, have become usual. Great numbers of persons arrested, both aliens and citizens, have been threatened, beaten with blackjacks, struck with fists, jailed under abominable conditions, or actually tortured.

Annexed hereto as Exhibits 1–1c, 2–2f, 5a, 5b, and 9 are affidavits and evidences of these practices.

(2) ARRESTS WITHOUT WARRANT

The fourth amendment of the Constitution provides:

"The right of the people to be secure in their persons, houses, papers, and effects, against unreasonable searches and seizures, shall not be violated, and no warrants shall issue, but upon probable cause, supported by an oath or affirmation, and particularly describing the place to be searched, and the persons or things to be seized."

That is the end of the quotation of the fourth amendment to the Constitution, which is a part of our Bill of Rights.

Many hundreds of citizens and aliens alike have been arrested in wholesale raids, without warrants or pretense of warrants. They have then either been released, or have been detained in police stations or jails for indefinite lengths of time while warrants were being applied for. This practice of making mass raids and mass arrests without warrant has resulted directly from the instructions, both written and oral, issued by the Department of Justice at Washington. The cases are far too numerous to catalog, but typical instances may be found in Exhibits 1–1b, 2–2f, 5, and 13. The secret instructions of the Department also appear in exhibits 11 and 12.

(3) UNREASONABLE SEARCHES AND SEIZURES

The fourth amendment has been quoted above.

In countless cases agents of the Department of Justice have entered the homes, offices, or gathering places of persons suspected of radical affiliations, and, without pretense of any search warrant, have seized and removed property belonging to them for use by the Department of Justice. In many of these raids property which could not be removed or was not useful in the Department was intentionally smashed and destroyed. Exhibit 2–A is a photograph of the interior of a house raided by the Department of Justice. Exhibit 14 gives a recent opinion of the United States Supreme Court in a nonradical case, condemning seizure without warrant by the Department of Justice, and exhibit 15, the opinion of the United States district court in Montana in a more flagrant radical case.

Other exhibits bearing on this point are 2, 2a, 3 and 13.

(4) PROVOCATIVE AGENTS

We do not question the right of the Department of Justice to use its agents in the Bureau of Investigation to ascertain when the law is being violated. But the American people have never tolerated the use of undercover provocative agents or "agents provocateurs," such as have been familiar in old Russia or Spain. Such agents have been introduced by the Department of Justice into the radical movements, have reached positions of influence therein, have occupied themselves with informing upon or instigating acts which might be declared criminal, and at the express direction of Washington have brought about meetings of radicals in order to make possible wholesale arrests at such meetings. Attention is called to Exhibits 10 and 11, which are the secret instructions issued from Washington, Exhibit 13, containing an abstract of the testimony in the Colyer case in this regard, and exhibits 6, 7, and 8.

(5) COMPELLING PERSONS TO BE WITNESSES AGAINST THEMSELVES

The fifth amendment to the Constitution provides as follows:

"No person * * * shall be compelled in any criminal case to be a witness against himself, nor be deprived of life, liberty, or property, without due process of law."

That is not all the fifth amendment but that is all that pertains to this discussion.

It has been the practice of the Department of Justice and its agents, after making illegal arrests without warrant, to question the accused person and to force admissions from him by terrorism, which admissions were subsequently to be used against him in deportation proceedings. Instances of this sort appear in various exhibits, Nos. 1, 1B, 2B, and 2F. Attention is also called to the Cannone case, exhibit 9, in which the Department agents committed assault, forgery, and perjury.

(6) PROPAGANDA BY THE DEPARTMENT OF JUSTICE

The legal functions of the Attorney General are to advise the Government on questions of law and to prosecute persons who have violated Federal statutes. For the Attorney General to go into the field of propaganda against radicals is a deliberate misuse of his office and a deliberate squandering of funds entrusted to him by Congress.

Annexed as Exhibit 17 is a copy of a form letter sent out by the Attorney General under date of January 27, 1920, to many magazines and editors throughout the country, deliberately intended to prejudice them in favor of his actions. Exhibit 18 is a description of an illustrated page offered free to country newspapers at the expense of the Department of Justice, patently designed to affect public opinion in advance of court decision and prepared in the manner of an advertising campaign in favor of repression. These documents speak for themselves.

The exhibits attached are only a small part of the evidence which may be presented of the continued violation of law by the Attorney General's Department. These exhibits are, to the best of our knowledge and belief (based upon careful investigation) truthful both in substance and detail. Drawn mainly from the four centers of New York City; Boston, Mass.; Detroit, Mich.; and Hartford, Conn., we know them to be typical of conditions which have prevailed in many parts of the country.

Since these illegal acts have been committed by the highest legal powers in the United States, there is no final appeal from them except to the conscience and condemnation of the American people. American institutions have not in fact been protected by the Attorney General's ruthless suppression. On the contrary, those institutions have been seriously undermined, and revolutionary unrest has been vastly intensified. No organizations of radicals acting through propaganda over the last 6 months could have created as much revolutionary sentiment in America, as has been created by the acts of the Department of Justice itself.

Even were one to admit that there existed any serious "red" menace before the Attorney General started his unflinching war against it, his campaign has been singularly fruitless. Out of the many thousands suspected by the Attorney General (he had already listed 60,000 by name and history on November 14, 1919, aliens and citizens), what do the figures show of net results? Prior to January 1, 1920, there were actually deported 263 persons.

Since January 1 there have been actually deported 18 persons. Since January 1 there have been ordered deported an additional 529 persons, and warrants for 1,547 have been canceled (after full hearings and consideration of the evidence) by Assistant Secretary of Labor Louis F. Post, to whose courageous reestablishment of American constitutional law in deportation proceedings (see exhibit 16) are due the attacks that have been made upon him.

The Attorney General has consequently got rid of 810 alien suspects, which, on his own showing, leaves him at least 59,160 persons (aliens and citizens) still to cope with.

It has always been the proud boast of America that this is a government of laws and not of men. Our Constitution and laws have been based on the simple elements of human nature. Free men cannot be driven and repressed; they must be led. Free men respect justice and follow truth, but arbitrary power they will oppose until the end of time. There is no danger of revolution so great as that created by suppression, by ruthlessness, and by deliberate violation of the simple rules of American law and American decency.

It is a fallacy to suppose that, any more than in the past, any servant of the people can safely arrogate to himself unlimited authority. To proceed upon such a supposition is to deny the fundamental American theory of the consent of the governed. Here is no question of a vague and threatened menace, but a present assault upon the most sacred principles of our constitutional liberty.

Mr. President, that is all of the address itself. I shall read the names attached to it. Twelve lawyers signed that address to the American people.

The first one on the list was R. H. Brown, Memphis, Tenn.; attorney at law; member of the Tennessee Bar Association.

The others are as follows:

Zechariah Chaffee, Jr., Cambridge, Mass.; professor in the Harvard Law School.

Felix Frankfurter, Cambridge, Mass.; professor of law, Harvard Law School; major and judge advocate, Officers' Reserve Corps, United States of America, 1914; late assistant to the Secretary of War; and counsel to the President's Mediation Commission.

Ernst Freund, Chicago; professor of jurisprudence and public law, University of Chicago; author of Standards of American Legislation.

Swinburne Hale, New York City; attorney at law; graduate of Harvard; late captain, Military Intelligence Division, General Staff, United States Army.

Francis Fisher Kane, Philadelphia; attorney at law; United States district attorney, resigned.

Alfred Niles, Baltimore; attorney at law; former judge of the circuit court; professor in the University of Maryland Law School.

Roscoe Pound, dean of the law school, Harvard Unversity; author of Readings on the History and System of the Common Law, and so forth.

Jackson H. Ralston, Washington, D. C.; attorney at law; member, American Bar Association; umpire, the Italian-Venezuelan Claims Commission; author, International Arbitral Law and Procedure, and so forth.

David Wallerstein, Philadelphia; attorney at law; member of the American Bar Association.

Frank P. Walsh, Kansas City and New York; attorney at law; Joint Chairman of the National War Labor Board, and so forth.

Tyrrell Williams, St. Louis; acting dean, law school of Washington University; author, Missouri Appellate Practice, and so forth.

Mr. KING. Mr. President——

Mr. NORRIS. Will the Senator from Utah pardon me for a moment until I read some other matter that comes right in this connection? I think it is at this point. Perhaps I am mistaken about it. I shall come later, somewhere in the documents I have before me, to a statement from Mr. Justice Stone, then head of a law school in New York City, and a statement on the subject from Chief Justice Hughes; but they do not appear at this point.

I now yield to the Senator from Utah.

Mr. KING. Mr. President, a moment ago the Senator invited attention to the large number of cases for deportation. I assume that the Senator did not mean to imply that all of the persons concerned were illegally arrested or illegally deported.

Mr. NORRIS. Oh, no.

Mr. KING. As the Senator knows, under the immigration laws it is the duty of the Secretary of Labor, when persons have entered the United States in violation of law, no matter who they may be, no matter how worth while they may be, to institute proceedings for their deportation.

Mr. NORRIS. I think that is correct.

Mr. KING. I will very frankly say that I have sometimes thought some of the proceedings for deportation were rather harsh or cruel; and yet the American people demand the enforcement of the law. It is believed by some that there has been too great laxity in enforcing the law, and that many aliens have been permitted to come into the United States illegally, and to remain in, through technicality or otherwise in violation of the provisions of the statute.

Mr. NORRIS. I thank the Senator. I digress here to say, now that the Senator reminds me of it, that I am not contending, in the matter of the deportation of aliens, that the subject is not constitutionally in the hands of the Congress. I admit that the Congress has a right to exclude all aliens if it desires so to do. It may admit them on any conditions it prescribes. It may limit their residence here, and it may order them out of our country at any time if such a course does not interfere with a treaty or some other legal obligation under which the aliens entered the country.

Mr. President, the references made by these 12 lawyers were mostly, if not entirely, to incidents and arrests which occurred in the famous raids under Attorney General Palmer. I expect to show as I proceed that Mr. Hoover at that time was the assistant of the Attorney General; that he had charge of the raids; that reports in regard to them were made to him, and, although warrants of deportation all had to be signed by the Secretary of Labor, or the Immigration Bureau, I think there is no dispute that the Attorney General's office instigated and planned the raids. They were raids designed to bring about the arrest and deportation of aliens who were guilty of subversive acts, or who belonged to indicted organizations. The raids took place, as I recall, on the 2d of January 1920, and, these lawyers say, under instructions from Washington. The instructions were that the raids and arrests were to take place between the hours of 7 p. m. and 7 a. m., all the work to be done within those hours.

Later on Senator Walsh, of Montana, then a member of the Committee on the Judiciary of the Senate, offered a resolution in regard to the raids which had occurred; the resolution was referred to the Committee on the Judiciary, a subcommittee was appointed, and hearings were held. I hold in my hand a volume of the report of the hearings taken before that subcommittee, and I shall read at some length from the testimony taken.

Before I do that, I wish to read from two statements I said I desired to read in connection with the address of these 12 lawyers. I now have the statements in my hand, and first I will read what was said by the present Justice Stone. At that time he was professor of law in the Columbia University Law School. He was requested to appear and testify, but on account of something that happened, I have forgotten what, he was unable to appear, but he sent the statement I am now about to read, which became part of the record of the committee. The full statement is found on pages 279 and 280 of the hearings. Justice Stone said:

It appears from the reported decisions of Federal courts that in deportation proceedings taken by the Department of Justice under direction of the Attorney General, aliens have been deprived of such constitutional guaranties. It also appears that the agents of the Department of Justice in violation of the express provision of the statute have arrested aliens in deportation cases without warrant. These undisputed facts would of themselves seem to require a thoroughgoing investigation of the conduct of the Department of Justice in connection with the deportation cases. * * * It is therefore very much to be hoped that any such investigation will not only reveal fully the facts with respect to the violation of constitutional safeguards and statutes by the agents of the Department of Justice in the administration of the deportation laws, but that such investigation will result in legislation more adequately protecting aliens or those alleged to be aliens, but who

may be citizens of the United States, from the arbitrary exercise of power by administrative officers.

It is inevitable that any system which confers upon administrative officers power to restrain the liberty of individuals, without safeguards substantially like those which exist in criminal cases and without adequate authority for judicial review of the action of such administrative officers will result in abuse of power and in intolerable injustice and cruelty to individuals.

Now, I wish to read what Chief Justice Hughes said. This is an excerpt from a speech by Hon. Charles E. Hughes, entitled "Some Observations on Legal Education and Democratic Progress," from a booklet entitled "Two Addresses Delivered Before the Alumni of the Harvard Law School at Cambridge, June 21, 1920," published by the Harvard Law School Association. This, of course, was before Mr. Hughes was Chief Justice. This is what he said at that time:

Finding the intricacies of modern life too much for clearly expressed law, we have formed the habit of turning the whole business over to bureau chiefs, who, with the opportunity to create manifold restrictions and annoyances, hold the power of life and death over enterprise and reputation. This has seemed to be a comfortable way of dealing with evils, and the mischief it has been breeding has received scant attention. We went to war for liberty and democracy, with the result that we fed the autocratic appetite. And, through a fiction, permissible only because the courts cannot know what everyone else knows, we have seen the war powers, which are essential to the preservation of the Nation in time of war, exercised broadly after the military exigency had passed and in conditions for which they were never intended, and we may well wonder, in view of the precedents now established, whether constitutional government as heretofore maintained in this Republic could survive another great war, even victoriously waged.

Apart from these conditions, we cannot afford to ignore the indications that, perhaps to an extent unparalleled in our history, the essentials of liberty are being disregarded. Very recently information has been laid by responsible citizens at the bar of public opinion of violations of personal rights which savor the worst practices of tyranny. And in the conduct of trials before the courts we find a growing tendency on the part of prosecutors to resort to grossly unfair practices. Even as I speak, there appears in the Harvard Law Review a striking summary of this sort of lawlessness. (33 Harvard Law Review, p. 956 [1920].)

This is the quotation referred to:

During the past year no less than 44 convictions were reversed by appellate tribunals in the United States for flagrant misconduct of the public prosecutor or the trial judge whereby the accused was deprived of a fair trial. In 33 of these cases the district attorney made inflammatory appeals to prejudice upon matters not properly before the jury. In three of them the district attorney extorted confessions or coerced witnesses by palpably unlawful methods. In 4, witnesses were so browbeaten during the trial as to prevent the accused from fairly making his case. In 2, the trial judge interposed with a high hand to extort testimony unfavorable to the accused or to intimidate witnesses for the accused. It is significant that these cases come from every part of the country and from every sort of court.

Mr. President, it will be unnecessary for me to comment upon the reputation and the ability of the 12 men who signed this address to the people, or of Chief Justice Hughes, or Mr. Justice Stone, whose comments I have read, Justice Stone having reference to the particular investigation, and Chief Justice Hughes having reference to the subject matter in general.

The subcommittee of the Judiciary Committee of which I speak subpenaed various witnesses and took the testimony of a large number of persons. The subcommittee reported to the full committee. The matter was there discussed, and as there were two reports from the subcommittee, the full committee finally decided to make no report either way.

Later on Senator Walsh offered for the CONGRESSIONAL RECORD both of the reports from the subcommittee, and also his rejoinder to the report made by some members of the subcommittee.

I shall now read some evidence that was produced, showing what happened in that raid. I read on page 294, of the hearings, from the testimony of Mr. Kane. He had been a district attorney and served two terms, or part of two terms, and resigned because he could not conscientiously follow the procedure that was being taken in those cases.

The chairman of the subcommittee was Senator Sterling, of South Dakota, and he questioned Mr. Kane:

Senator STERLING. Your resignation as what?

Mr. KANE. As United States attorney for the eastern district of Pennsylvania, I having taken issue with the department on the matter of raids.

Senator STERLING. How long had you served as United States district attorney?

Mr. KANE. Six years. I had been appointed first by Mr. Wilson in his first administration, then I had been reappointed, and then, as I recall it, two or three events followed. Just at that time the expulsion of the socialist members of the New York Legislature occurred, and that brought the matter further before the people—this whole matter of the fight against the so-called radicals; and then, very soon afterward, the warrants of deportation, that is the original departmental warrants, were held up, proceedings had to take place under those warrants, hearings, in other words, they were taken up and considered personally by Assistant Secretary Post of the Labor Department, and it very soon became evident that a large number, or a certain proportion, at any rate, of the aliens who had been arrested in these raids were not going to be deported eventually. Then, as I remember it, there was a discussion over whether or not the Communist Labor Party was in the same category as the Communist Party, and just about that time, if I remember correctly, Mr. Ralston, a number of lawyers sent in letters, and this committee of 12 was formed, but exactly when I do not know.

His testimony was rather lengthy. I have read sufficient of it to introduce the man, to show who he was, and I shall now read some extracts from his testimony. He said:

It ought to be understood, sir, that the raids were conducted from Washington. The orders came down from that division of the Department of Justice, which had charge of such matters, directly to the local division superintendents of the Department of Justice, the heads of the detective force of the Department of Justice—that is, what we call the Bureau of Investigation; the agents. Then the orders came down from them, but not to the district attorney, and it might appear that the district attorney had a perfect right to stand aside and say, "This is directed from Washington, and it is none of my concern"; but I did not feel it in that way, and I do not feel it now, because, of course, large numbers of people were being arrested in different districts, and I felt that we district attorneys were necessarily involved. * * *

I felt that I would inevitably be called in to aid in various ways. You will understand that my office in Philadelphia is right across the hall from that of the local superintendent of the Bureau of Investigation. He acted under my directions ordinarily—would come in and consult me; and if I was not in sympathy with what he was doing it was only fair to the Department for me to express myself and get out. That was the common sense of the thing. It seemed to me that although the order for the raid in Philadelphia, or the arresting, as it was, of about 200 people, I think, might go through, directed from Washington, it would inevitably follow that I would be consulted, and that as in ordinary immigration cases, if we put on the stand officers, if there was a petition for habeas corpus, either I or one of my assistants would have to step across the hall and represent the Government.

He is explaining further why he resigned.

Mr. President, I shall now read at some length from a report contained in a pamphlet submitted by Mr. Kane before that subcommittee and placed in the record of the hearings by Senator Sterling, chairman of the subcommittee. From that report I shall now read some extracts. I read from page 313 of the hearings:

Two of the alleged radicals who were arrested and held for deportation had actually served in the United States Army. In the case of Steve Kerekoff (warrant No. 54860/156), a certified copy of his honorable discharge from the Army was introduced in the alien's defense. When questioned as to the organization of which he was a member, he replied, "The American Legion." His personal effects consisted of a suitcase and an Army uniform.

Record is also found that three of these alleged radicals had waived their right to exemption when registering for the draft and one had volunteered but had been refused because of physical disability. In one case an Aircraft Industrial Service Army button was introduced into the evidence as proof of the loyalty of the alien. Many of the men whose cases were examined were beyond the age of military service. Ernest Behm (warrant No. 54735/102), a man 50 years of age, said that his eldest son had volunteered and had served in the United States Naval Reserve.

One man who was deported had been very active in Liberty loan drives and an ardent advocate of Americanism among his Russian fellow countrymen.

In connection with the prison investigations, four ex-soldiers were found at Detroit among those being held on a charge of belief in the overthrow by force of the United States Government. These men were Poles, and each had received his honorable discharge from the Army. One had served 17 months in France and had been discharged because of disability. He had made application for citizenship while in France, and remarked to the investigator: "They did not kill me in France; they get me here." A second had served 12 months at the front, and the other two had been in service 5 months each. Two of them had experienced difficulty in finding work after leaving the Army; one had been out of work for 5 months. Still another man said when interviewed that he had tried to join the Army but had been rejected. He had volunteered for Government service and had his badge and certificate to prove this.

Occupation and economic status: Occupationally these persons represented the average run of immigrants in America. They were steel and brass workers, carpenters, painters, printers, restau-

rant waiters, teamsters, mechanics, shoemakers, and manual laborers. In over half of the cases no reference is found to the economic status of those studies. In only 19 of the records is it stated that the individual had no money. On the other hand 45 persons were found to have sums ranging from a few dollars to $2,000. The money was usually in a savings bank, but one man kept his savings in a Prince Albert tobacco box and one stated that his wife was his savings bank.

A number had interests in various kinds of business. One man had an interest in an ice and coal business; one owned stock in a mining concern; and another in a motortruck company. One man owned an automobile, two persons owned a home, nearly paid for, while two others owned grocery businesses worth $2,000 and $7,000, respectively. Another man referred to his having lost $1,700 in a business enterprise. The prison investigations showed similarly a considerable range in economic status.

Four men stated that they had lost all they had since being arrested; one of these had given power of attorney to a fellow countryman who had taken all the money and disappeared.

A personal testimony: It may be added that in some cases, both in the prison investigations and in the examination of the records, employers, social-service agents, pastors, and even a deputy sheriff, immigration inspectors, and Department of Justice agents spoke well of the men. In the case of four persons, a representative of the Ford plant in Detroit, where they had been employed, stated that he had always considered the men good workmen. An official physician at a certain detention station in a letter to the author, dated May 11, 1920, sums up the opinion of many persons who came into personal contact with the alleged radicals. This physician had had personal charge of all the aliens while they were being held pending their hearing or their deportation. I quote from his letter:

"Most of them impressed me as rather ordinary foreign workmen, a grade above altogether unskilled labor, of fair intelligence. A few had more intelligence and some were quite pleasant. A few also were obstinate, unreasonable, grouchy, and generally unpleasant. The few with whom I talked had fairly radical ideas of social change, advanced with varying degrees of skill. I never was able to corner anyone into an admission of a program of violence. None of the men pressed his views upon me until approached, and then only as a matter of statement. They quite resented some clerk's error in referring to them as anarchists. Order was kept fairly easy. The radicals chose their own committees, through whom they dealt with the authorities. They made rules for their own conduct.

"They complained occasionally of their food and the sanitation of their quarters; most of these complaints had at least some ground. I never heard of any violence against their guards, or attempt at it.

"In general, a few of these people I should not care to have around me at all; they are a general nuisance. Most of them seem harmless."

Cases of women arrested: Because of the social consequences involved, a general statement should be made at this point concerning the women who were included in these groups of aliens. Of the 200 cases examined, 7 were women; the husbands of 5 of them were also under arrest; the nationality record shows 4 to be Russian, 2 Polish, and 1 Dutch. They had been in the United States for periods of from 5 to 15 years, but their knowledge of English was slight. One woman could speak Russian, Lithuanian, and German, but handled English very imperfectly. All but one were mothers, and one was pregnant at the time of the hearing. Of the 12 children involved 10 were born in the United States.

* * * * * * *

The raids: The exact number of arrests made in connection with deportation proceedings during the 5-month period covered by this study is not known. It is certain, however, that the total number of aliens arrested between November 1919 and March 1920 greatly exceeded the number of warrants issued.

Arrests were made in two ways: By raids and by individual apprehension. Of the 200 cases here studied, 169 were arrested in raids. There were two principal raids. One was conducted on November 7, 1919, against the Union of Russian Workers. The second took place on January 2, 1920, against the Communist Party of America.

These raids, or round-ups, as they are commonly called, were conducted by special agents. In some cases they were conducted with the aid of local police, and in still other cases with the aid of specially sworn deputies and citizens, and were aimed at meeting places of radical organizations, halls, schools, and other places where aliens were accustomed to congregate. Usually all the men found in any of these places were arrested at the same time. As will be seen later, in many cases there were no warrants of arrest.

* * * * * * *

Affidavit of probable cause: The first steps, according to official records, were always taken by special agents of the Department of Justice. Through investigations which they conducted and from so-called confidential sources they were led to believe that certain aliens advocated the overthrow of the Government of the United States by force or violence or were affiliated with an organization which had for its object such a revolutionary purpose. In some cases the arrest occurred before the date of the special agent's affidavit. In the case of Jack Lunee (warrant No. 54860/784) a telegraphic warrant was issued on January 15, the same day on which Lunee was arrested. The regular warrant was issued on January 17, although the affidavit in the case was dated February 2. Contrary to legal requirements, this evidence was seldom forwarded to the proper authorities at Washington, and instead of requesting warrants in the usual way they were requested by wire. In many cases the request was made and the warrant was issued by telegram, and later confirmed by mail. The telegraphic request and warrant often included a number of aliens.

Arrests without warrant: More important than the foregoing is the fact that arrests were frequently made without warrant or even affidavit of probable cause of arrest.

* * * * * * *

The period by which the arrests preceded the issuance of warrants ranged from 1 to 57 days.

With respect to the procedure of the agents, the report has this to say:

"Agents provocateurs": The term "agent provocateur" has been commonly used to describe a well-known type of official of the czarist regime in Russia. Its meaning is precisely what a transliteration from French into English indicates—"provocative agent." The agent provocateur is employed not merely to apprehend an offender, but to get rid of "undesirables" by inciting them to acts for which they may be apprehended and punished. The practice is so wholly out of repute in this country that no one would publicly offer a justification of it. The Attorney General has publicly disclaimed the employment of such agents, although it is freely admitted that "undercover men" are employed by the Department of Justice, who mingle freely with radicals and join their organizations. Manifestly the agent must counterfeit radicalism with sufficient accuracy to mislead persons who are experts in that field. To draw the line between the simple agent and the agent provocateur may not be easy. In connection with the raid of January 2, 1920, the Department of Justice issued instructions as follows:

These are instructions from Washington:

"If possible, you should arrange with your undercover informants to have meetings of the Communist Party and Communist Labor Party held on the night set. I have been informed by some of the bureau officers that such arrangements will be made. This, of course, would facilitate the making of the arrests."

Further on in this report of the Philadelphia cases he states:

Delays in admitting to counsel: On January 28, 1920, less than a month after this amendment to rule 22 was promulgated, it was annulled by the Secretary of Labor, and the original form was restored. But in the meantime this obviously important guaranty of the alien's rights was in abeyance, and it is impossible to know to what extent injustice was suffered by persons ignorant of the law, knowing English imperfectly and terrified by their sudden seizure and arraignment, in the absence of counsel, to aid them in making a defense. So far as the records of the 200 cases under examination indicate, in no case was the alien informed at the preliminary examination that he was entitled to be represented by counsel at the trial.

Mr. President, that practice was common; it occurred in more than a thousand, yes, several thousand arrests which were made. Those arrested were not accorded the privilege of counsel. As we sit here the same practice is going on in the Bureau of Investigation in conformity with instructions coming from the Department of Justice. The agents are to get statements from those arrested, if possible, before they have an opportunity to see a friend or a lawyer. That is not denied; it is admitted. That was true in all the Detroit cases; it was true in the Carlson case, which I have mentioned and, I take it, that is the general practice. It was the practice then, and it is the procedure still. To my mind, it is inhuman; it is unjustified; it is illegal; it is illogical; it is a denial of the constitutional right that every person in America is entitled to enjoy. It seems to me the first thing these agents should do is to tell the men whom they arrest that they are entitled to counsel and give them every possible opportunity to communicate with their families so as to let the families know where they are. That is denied in all cases.

Mr. President, this inhumanity, this unreasonable procedure which has been followed and is being followed now by the F. B. I., goes beyond the scope of the immediate cases involved. Rumors of arrests spread all over the community. The evidence shows, although I do not know whether I have it marked, that in communities such as Philadelphia, where over 200 men were arrested, some taken from halls, some taken from their homes, and some arrested on the street, and not allowed to communicate with their wives and families, information of the arrests became noised abroad by word of mouth; the news spread, that the great Government of the

United States, Uncle Sam was after others. They were all frightened to death, even though they were not molested or arrested. Wives were afraid to communicate with their own husbands or their own sons; they were afraid to go out and make inquiry lest they themselves be shut up. All kinds of rumors, many of them exaggerated, no doubt, spread, but that is the method pursued, the intention being to do that very thing, to put the fear of God into their hearts and scare them to death, if possible.

That is what the F. B. I. does. There is no other reason why a man should be denied the right to see an attorney or to communicate with his wife or his family.

They put men whom they arrest in a room, frequently, as the evidence shows, a room 10 by 20, crowded to suffocation, with one little window, and there men were held for days, with no place to sleep except on the stone floor of the cells where they were held. All that puts the fear of God into men's hearts, because they do not know what has happened to their families; they know that their families, if unmolested, are searching for them, but they cannot reach them. That went on all over the United States on that fateful night. It happened in Omaha; it happened, I think, farther West; it happened all over the East. There was no place in which to lock up all those arrested. Omaha and Detroit afford fair samples of what was done everywhere. The jails were all filled and had not the capacity for holding that many men. In Omaha 500 or 600 men, with warrants and without warrants, were taken up into the garret of the Federal building, which was not intended to be inhabited, and were held there for days. Their families did not know where they were, and for all those men in such sleeping quarters, for all those men in that garret, there was just one place to wash their faces and only one toilet room. It is beyond possibility that any human being can realize that such inhuman things can happen under our flag without a feeling of regret and sorrow.

This investigation further shows:

Types of evidence submitted—Photostats: A special study of 124 cases taken at random was made, with particular reference to the types of evidence submitted in substantiation of the charges of anarchy, etc., made against the aliens. The prevailing form of evidence was found to consist of photostatic copies of various documents, such as the Communist manifesto, constitution of the Union of Russian Workers, etc. These were made up in stock form and mimeographed and submitted as evidence in 60 cases, or slightly over 48 percent of the total. In 8 cases no evidence whatsoever was submitted.

Affidavits: In 14 cases the only evidence submitted was the customary affidavit of the Department of Justice. This affidavit also was in a mimeographed form, and in substance was a statement that the agent—

This is quoted from the affidavit—

"is informed and verily believes" the alien to be an anarchist or member of a proscribed organization. In some cases the signature of the agent making the affidavit was not affixed. The record of preliminary examination was submitted in 61, or 49 percent, of the 124 cases examined. In 6 cases it was the only evidence submitted. These records frequently did not bear the signature of the alien or of the officer making the examination, and often were extracted under threats and varying forms of compulsion. The absence of the interpreter also gave rise to all kinds of possibilities in the way of misunderstanding, as an examination of the records reveals.

Again, the records of the hearings frequently revealed the fact that the agent making the original charge was asked to produce the evidence or to disclose the source of his information. Invariably he refused to do this.

When questioned concerning his information that the alien was a member of a prescribed organization, the agent would frequently state that his information was derived from confidential sources the disclosure of which he considered would be inimical to the interests of the Government.

Can any lawyer think of a man being condemned or deported on evidence such as that—secret evidence? The agent said he had confidential information, and he did not consider—he was the judge of it—he did not consider it proper to reveal its source, because he thought it might be inimical to the interest of the Government of the United States. Can anyone conceive of the great Government of the United States trying to send anybody to prison or to deport any alien on evidence such as that? Yet there were hundreds upon hundreds of such cases.

Mr. President, if I had time to read all the evidence in the case, it would take a week. A great many such cases are a matter of record; they were put into the CONGRESSIONAL RECORD by the late Senator from Montana, Mr. Walsh.

Still reading from this report:

Attention has already been called to the fact that out of the 200 cases reported in this account 91 of the aliens were arrested without warrant. The records unquestionably disclose rough treatment at the time of arrest. Seventeen men distinctly testified at the hearings that they were pounded with clubs, blackjacks, handcuffs, or were threatened into submissiveness at the point of a revolver, either at the time of arrest or in the course of the preliminary examination.

* * * * * * *

The part of the jail in which the aliens were held is made up of a series of individual cells arranged in the form of a rectangle. Each row of cells forms a tier in a deck-like structure. Each floor or deck supports a tier of 25 cells. The barred side of each cell opened into a corridor about 2½ feet wide. Each man was held in one of these cells with no opportunity for direct communication with the others.

At the end of each tier there were three cells or six cells in each tier, in which, on account of the concentration of steam pipes in the corridor, the air was hot and suffocating. The men in these cells were naked or nearly so when the cells were inspected. They complained bitterly of not having sufficient air and some appeared very listless. Three of the men said that if they were held much longer under such conditions they would die of consumption. The attention of a prison officer was called to this state of things. It was pointed out to him that there were some vacant cells in the middle of each tier where the air was better, and the question was asked whether the men might not be transferred to these cells. The officer stated that it would involve too much trouble and red tape and would not be worth while.

The prisoners were asked a number of general questions. They seemed to be very eager for news, and upon inquiry it was discovered that they had been held incommunicado. They had not seen a newspaper, English or otherwise, nor had they received letters from their relatives or friends. They had not been permitted visits from their friends until the latter part of January. A conversation was heard between a prison officer and one of the aliens, who was known as the Professor. This man was desirous of sending a note to his wife, who was waiting outside. The officer refused to grant the permission, stating that he could only send her his address.

In the office of one of the departments of the Government a number of letters were seen on a desk addressed to the men in the jail. One of them bore the January postmark and was therefore at least a month old. They were open and arranged in tiers with elastic bands around them. An officer informed the investigator that the letters were being held for censorship.

While the investigator was in the same office three persons came in to ask permission to interview the prisoners. In each case there was considerable argument and pleading before the permission was granted. A woman with a little child of about 7 years of age pleaded at length for permission to visit her husband. Outside of the same office a woman was seen with a suitcase of food and clothing. When questioned she stated that her brother had been in jail for a month and that she had not been permitted to see him. A permit was finally granted her, and she was very much pleased.

On a later visit, March 25, 1920—

These men had been there since January 2—

other persons were found to be held incommunicado.

Fourteen men were in the upper cells. No interview with these men was allowed because they had not had their first hearing, and therefore were held incommunicado. According to records, they has been in prison since March 11, or 2 weeks. On April 2, 8 days later, they still had not had their first hearing and were still held incommunicado. In other words, these 14 men were held for 3 weeks without hearing and without a knowledge on the part of the authorities as to whether or not they were members of a proscribed organization.

On April 9 and 10 a similar investigation was made of the aliens held in custody at Detroit in the Wayne County jail on charges of anarchy and similar beliefs. There were at the time about 150 men being held in detention, all of whom had been seized in raids. There was no complete record of the total number of prisoners who had been held. Eighty-two men were interrogated.

The conditions surrounding the imprisonment of these men were exceedingly bad at first. Since no adequate quarters were available for the large number of prisoners taken in Detroit and vicinity, the upper floors of the post-office building were converted into a prison in which hundreds of men were held. A prominent citizen of Detroit compared the situation with the Black Hole of Calcutta. The conditions became so bad that the mayor of the city protested not on the ground of justice to the prisoners but because of menace to the health of the city which this situation created. Finally the Federal barracks at Fort Wayne were secured and the aliens were transferred to them.

A Government representative at Detroit stated that when he first took over the situation there had been a considerable amount of graft among the guards who were surrounding the men and who, for the most part, were uneducated men who used profanity freely

and who, having little sympathy with the prisoners, gave them abusive treatment. Two men seemed to have escaped from the barracks and on account of this severe punishment was inflicted on the prisoners who in turn went on a hunger strike in order to bring about a change in the treatment. This strike continued for 2 days without serious results. The prisoners, however, were refused permission to receive relatives and friends after that for a period, but at the time of the investigation the prisoners were doing their work steadily and were being allowed an hour out of doors in good weather—sometimes 2 hours.

The food given the prisoners was good, but the congestion which they suffered during the first days of their imprisonment made several of them seriously sick. Although the men were left without care, which endangered the health of the entire number, there were no serious results.

By far the greater number of the men interviewed in Detroit had been in jail since the raids, which occurred early in January. In fact, 64 of the 82 men seen by the investigator on April 9 and 10 had been in custody over 3 months. Four men had been held since December, approximately 4 months, and 2 since early in November, over 5 months. One had been held for 2 months. In 11 cases the period of detention was not stated.

Mr. President, I read further from what was put into the procedings by Mr. Kane:

In addition to the instances just cited where the women were permitted to see their husbands ocasionally, the investigation disclosed that frequently prisoners were not allowed to see visitors, and in many instances there came to our notice wives who were not allowed to see their husbands at all. One man, Fred Androchuk (warrant No. 54809/297), who had not see any member of his family since his arrest, was asked, "Who is taking care of your wife and children now?" "I don't know; they may be dead," he replied.

One of the Detroit prisoners interviewed seemed beside himself with anxiety over his wife and child. He did not belong to either of the proscribed organizations and professed to know no reason for his arrest. He said, bitterly, "Wife goes from one house to another; no help." He said that if he were deported without his wife she would commit suicide. He asked to be set free or to be shot.

That reminds me, although I do not remember that I have it marked, that I was a Member of the Senate when this investigation took place. I was on the committee to which the resolution was referred. Although I was not on the subcommittee which took the evidence, I joined with Senator Walsh in voting that these findings be the report of the committee, and that they be submitted to the Senate.

The testimony which I have just read refers to persons committing suicide. I remember distinctly that it was a matter of public record that at least two persons committed suicide and I am not sure there were not more, among those who were held incommunicado—some of them for more than a month, some of them without knowing what charge, if any, was made against them, some of them ignorant aliens who could not speak the English language, some of them incidentally who were doing the best they could to become citizens of the United States. Several of the defendants went insane because of this treatment. One of those who was held in New York City jumped from a great height, in the building in which he was imprisoned, and died.

Mr. President, I do not wonder that such treatment would drive a person insane. There were some bad men among them. I admit that some persons who should be arrested are not, and I wish they were arrested. But when we deviate from the path laid down by our forefathers when they adopted the Bill of Rights, we get into trouble at every turn of the road. When we deprive persons of their rights to consult their attorneys, to talk to their friends and relatives, to let their families know where they are kept imprisoned, when we thus deviate from the path laid down by our forefathers we get into an uncivilized realm fit only for the control and rule of such men as Hitler and Mussolini. We then have a condition which does not represent civilization. Such actions constitute a grievous violation of human liberty, that most sacred thing which our democracy tries to guarantee to all.

Mr. President, what would you think if after the Senate adjourned later in the day, and you started on your way to the Senate Office Building, you were arrested and held incommunicado? If you could not communicate with your family, your friends, or with a lawyer, but were held incommunicado, it would not matter to you whether those who had seized you were a body of preachers or lawyers, or a gang of demons or tyrants or murderers.

If you were seized and thrown into an automobile and driven away without the knowledge of anyone as to your whereabouts, it would be no consolation for you if your captors were to say, "Why, we are gentlemen. We are preachers. We are men high in the social world. We are rich men." All that would not help you in any way, and would be of no consolation to you. Nor would it be any consolation to your wife who was at home and wondering why you did not come home to her. And you, knowing that your wife was waiting for your footsteps, and had no knoweldge of your whereabouts, would not be consoled by any statements on the part of your captors of their high purposes. You would know that in the morning your little children would wake up and find that their father was not home, and you would know that those you loved were also suffering because of what was being done to you. It would not only be a case of your own suffering but you would know also that your wife and children would be suffering. You would know that your wife would anxiously consult her neighbors and ask them what she should do, and seek advice from your friends. You would know she would take up the matter with the police. You would know she would do everything possible to discover your whereabouts.

Mr. President, the men to whom I have referred were taken by the agents of the law. They suffered just as much as though they had been taken by Stalin or the Emperor of Japan. It would make no difference by whom they were taken; in any case their suffering would be as great. Then these men found out that other men in the community were taken likewise, and their whereabouts unknown. As the hours passed by, as the days passed by, and in many cases as the months passed by, there was no knowledge of their whereabouts. The horror and the agony in the hearts of those left at home may easily be imagined.

No wonder the man about whom I read should say, after months of incarceration incommunicado: "I do not know who is taking care of my wife and child. They may be dead." It would not be surprising if the wife were dead under such circumstances. The burden of grief would be sufficient to cause her to lose her reason. The man in prison would not know whether the little boy at home was motherless as well as fatherless.

Mr. President, we cannot tell what in the end will result from such procedure. It is said that if a penny is dropped near one shore of the ocean, in time the effect thereof will be felt on the further shore. These little things, at which we may laugh, which we may say are of no concern to us, are happening under our flag. We have in our country an organization that is doing such things now. When asked why it was the practice of the F. B. I. not to let the arrested man communicate with anyone, the answer was, "You stand a better chance of getting a statement out of him if you do not permit him to talk to a lawyer or anyone else." If our purpose is to convict only guilty persons we ought to let the light of day shine down upon every action we perform. We ought to let the sunlight of heaven shine through the little prison windows to give what comfort and ease and joy it can give to a brokenhearted man who may be dying in agony in prison.

Mr. President, I go to page 19 of the record, and read a small item which has great meaning in it, and which shows that the raids about which I have been reading, and about which I shall read more, were under the charge of Mr. Hoover. The Attorney General was on the stand testifying, and Senator Walsh of Montana asked him this question:

How many search warrants were issued?

Attorney General PALMER. I cannot tell you, Senator, personally. If you would like to ask Mr. Hoover, who was in charge of this matter, he can tell you.

I want the Senate to know that when I stated at the beginning that Mr. Hoover had charge, it was not without evidence, borne out by the record. I shall have more to read showing that Mr. Hoover was in charge of the raids at that time. Do not forget what the Attorney General said:

If you would like to ask Mr. Hoover, who was in charge of this matter, he can tell you.

Mr. President, I had not finished with the testimony of Mr. Kane, but, because the volume has been temporarily misplaced, I shall read some other testimony. I shall read from the testimony of Mr. Barkley. Mr. Barkley was a newspaperman who was in Detroit. He was put on the witness stand. His testimony is exceedingly interesting all the way through, but since I am already encumbering the RECORD to a very great extent, I shall not try to read all his testimony. He said in part, on page 714 of the committee record:

They took 128 of them—

That was right after the raid he had been telling about, on January 2, 1920.

They took 128 of them to what is known as the "bull pen" at the municipal court. That is a room that is designed to hold prisoners awaiting trial for petty offenses—to hold people for 2 or 3 hours. They bring people up from the jail and hold them there until their cases are called.

I think this man's testimony is very important and very material.

It is a room—

This so-called bull pen—

24 feet by 30 in size, I was informed by officials in the building.

Bear that in mind, Senators—24 feet wide and 30 feet long.

They had 128 men in there. That had a stone floor, with some flat benches with no backs—just room for perhaps 20 men to sit on those benches. In that room they were held for 7 days.

One hundred and twenty-eight men in a room 24 feet by 30, held for 7 days. That evidence is undisputed. Nobody contradicts it. It is admitted to be true.

This was a cellar room—

Think of that—

with one window. It had a little toilet off it, and one door, a grated door; and that was the condition that led the health commissioner upon the complaint of the municipal court judges, and the threat of the employees in the restaurant in that building to strike if those men were not removed, to make recommendations and recommend again to the mayor, and that led to the action that was read to you that the council later took. I went down there and looked in. They were packed in there just about as close as you could get them. One man had an infected hand and he had not had any treatment for it, that was the second day, and his hand was all swelled up and purple; and I think that was one of the conditions that led these men, the employees in the restaurant, to threaten to strike.

They told me that they had been fed one cup of coffee and two biscuits twice a day. That was the only food they had had.

Senator WALSH of Montana. Did you try to verify that?

Mr. BARKLEY. No; I did not verify that. I was not able at that time to verify it.

Senator WALSH of Montana. Did you accept it as in accordance with the facts?

Mr. BARKLEY. Well, it was in accordance with the same thing; that is, it was similar to the action that had taken place in the Federal building, where Barkey said that they had brought in coffee and doughnuts.

Senator WALSH of Montana. Was there any systematic effort on the part of the officials to feed them?

Mr. BARKLEY. No. Barkey said, "We brought them in coffee and doughnuts; but," he said, "they have all got good food from their homes, and boxes of oranges, and," he said, "we did not have time to bother with it; and they are being fed now, anyway. Their friends are bringing in food."

Seven days with no place to sleep. One hundred and twenty-eight men, in a room 24 by 30, had to sleep on the cold stone floor if they slept at all. There was no room for them all to sleep at once. They would have had to do it in relays, and when some of the men slept they would have had to pack the other men in the other part of the room closer together.

Mr. Barkley wrote an article describing these conditions, which article was published in the Nation. It is printed at page 720 of the hearings of the subcommittee of the Committee on the Judiciary on Senator Walsh's resolution. I ask unanimous consent that the article be printed in the RECORD at this point in my remarks without reading.

The PRESIDING OFFICER (Mr. SCHWELLENBACH in the chair). Is there objection?

There being no objection, the article was ordered to be printed in the RECORD, as follows:

JAILING RADICALS IN DETROIT

(By Frederick R. Barkley)

On January 2 Arthur L. Barkley, chief agent of the Department of Justice in Detroit, received an order from Attorney General Palmer, instructing Mr. Barkley, according to his own statement, to raid the headquarters of a group of interdicted organizations, principally the Communist Party, "as long as they continue to meet," in a "supreme effort to break the back of radicalism" in Detroit. As a result, 800 men were imprisoned for from 3 to 6 days in a dark, windowless, narrow corridor running around the big central areaway of the city's antiquated Federal building; they slept on the bare stone floor at night, in the heavy heat that welled sickeningly up to the low roof, just over their heads; they were shoved and jostled about by heavy-handed policemen; they were forbidden even the chance to perform a makeshift shave; they were compelled to stand in long lines for access to the solitary drinking fountain and the one toilet; they were denied all food for 20 hours, and after that were fed on what their families brought in; and they were refused all communication with relatives or with attorneys. These 800 men, so closely packed that they had to step over one another's bodies to move about at all, included in their number citizens and aliens, college graduates and laborers, skilled mechanics making $15 a day, and boys not yet out of short trousers. They were seized without warrant while attending dances and classes in physical geography and similar subjects; they were herded behind bars with no examination and no chance to inquire or explain; they were labeled in the newspapers as "reds, bolsheviks, anarchists, terrorists," and were left there for the jeering gaze of the credulous, befoozled public.

What was the crime of the 800? The crime was that these men were attending a dance or studying physical geography and other sciences in a hall known as the House of the Masses, the headquarters of the Communist Party in Detroit. And back of that was the crime of the Communist Party—which has about one member for every thousand men in the country—in declaring, in stock phrases, for "proletarian revolution, the overthrow of capitalism, and the establishment of a dictatorship of the proletariat and destruction of the bourgeois state."

So the Department of Justice held in this dark, foul cage a young American-born college instructor who had come down from the university during the holidays to teach this revolutionary class in physical geography so that he could better support his wife and child. Three days and three nights they held him. They held a 17-year-old boy, who had been caught while at the House of the Masses to see a man about a job. They held from four to a dozen men who had simply been having a drink of near-beer in a cafe on the first floor of the building. They held at least one man who had simply stopped out of curiosity.

They held 22 men taken from another hall nearby, and labeled in the reports as the headquarters of the I. W. W. "We did not leave them a scrap of paper with which to do business," one paper quoted Mr. Barkley as saying. Eighteen days later, 3 of these 22, who, of course, were finally released, appeared before Mayor Couzens with an appeal for aid. They were officers of the Workingmen's Sick Benefit and Educational Society, they said, and with 200 sick members on their lists, they were unable to pay benefits because the Department of Justice had taken their membership and sick lists. They feared some of the members might be facing death for lack of the money due them. "We have tried to get the members together," said one of them, "but they are so afraid of being arrested that they won't come to a meeting. And the Department of Justice won't give us the lists." The mayor promised to do what he could. The headquarters of the I. W. W. were actually several blocks farther down the street. The 22 members of the Workingmen's Sick Benefit and Educational Society were playing checkers when the raid was made, they told the mayor.

The officers held one young man who was getting his dinner in the cooperative restaurant run by the Workers' Educational Society, which controls the House of the Masses. "He quit the Communist Party because he didn't believe in force," his sister said. "But the restaurant has better meals at cheap prices than any place around there, and he always ate there. They've had him 10 days now."

The raiders held together, it would appear from tabulations of releases made from time to time, more than 350 American citizens, or aliens who could prove conclusively, in the Department's secret examinations, that they had not even a "cursory interest in radicalism." For from 3 to 6 days they held these men and boys in this temporary prison, and then began to transfer them to precinct police stations and to the "bull pen" in the municipal building. All this time there was a state approaching chaos in the offices of the Department of Justice. No list of those held was available. Frantic wives and children haunted the lower halls in the Federal Building hoping to catch a glimpse of their men through the narrow apertures of the top-floor corridor railing. "The constabulary believe that the prisoners were being incited by a number of well-dressed women, who came up to the fourth floor and waved handkerchiefs and scarfs to them," said one newspaper in reporting the efforts of these relatives to learn if their menfolk were among the prisoners. The women often were well-dressed, for their husbands were skilled workmen, earning substantial wages in many cases.

As the men were transferred to the precinct stations, policemen sent these frightened women out to these stations, when calls for the men wanted, which were permitted after the first few days, failed to bring a response. For days they besieged the precinct stations, bullied by the police and refused permission to see their men or learn where they were. In many cases it was more than a desire to converse that led these women on their fruitless search. They needed food at home. Their children were suffering from lack of bread. Their men had cash in many instances; most of them had bank deposits also; but under the order holding them incommunicado it was impossible for their wives to get either the cash or orders on the bank for the money they needed to stave off hunger. Dozens of the women were sent to the public welfare commission by their attorneys. One attorney tells of a woman fainting in his office. On being revived she said she had eaten nothing for 3 days. Taken to a nearby restaurant, she fainted again at the smell of food.

Among these families were the wives and children of American citizens, whom officials of the Department of Justice admitted they had no right to arrest. "Do you know how many citizens you've got up there?" Mr. Barkey was asked by a reporter on the third day after the first raid. "No, no," he replied nervously, "but I don't say anything about citizens being held. We haven't any right to arrest citizens, you know, so don't say anything about that." When one newspaper reported Mr. Barkey to this effect, and told the conditions under which the men were being held, another journal reported his reply as follows: "The public should bear in mind that this is not a picnic, and the Department of Justice is not providing settees for criminals (350 of whom were later released for lack of evidence). They have got to sleep on the floor. That's right. But a stone bed in the post office probably isn't any harder than a board bed in the jail. The majority of them are getting better than their five-sleep-in-a-bed homes, and they have more food than they can eat. Relatives and friends have brought in whole boiled hams, boxes of oranges, and other delicacies."

At the municipal building, where some of the men were taken after 6 days in the corridor prison, the same abominable conditions were reestablished. From 130 to 140 men were herded into the police "bull pen," a room built to hold petty offenders for not more than 3 or 4 hours, a one-window cellar room, 24 by 30 feet in size, with no place to rest but wocden benches and a stone floor. For 7 days these men were held here, sleeping on the floor, fed largely by the contributions from relatives handed through the single-grated door. Many of them were ill; one was suffering from an infected hand which had had no treatment. Employees in the cafe of the building threatened to quit if the men were not removed. "These conditions are intolerable in a civilized city," Mayor Couzens told the city council, after asking it to demand that the Federal authorities remove the men to a proper place of confinement. To back up his request, he submitted a report from the superintendent of municipal buildings and the health commissioner, reporting the situation as "intolerable and a menace to the health of the city." Nothing was said of the health of the imprisoned men. "The conditions are no worse than they were in the Federal building," the health commissioner said.

When the prisoners held in the "bull pen" were taken there from the Federal building, the camera men were on hand to film them. Six days' imprisonment without opportunity to shave, 6 nights of sleeping in their clothing on a stone floor, had prepared them well for the enforced role of "Bolshevik terrorists" with which the public is regaled. And these films, like the photographs taken at the House of the Masses, probably are doing their vicious work of rousing hate and intolerance all over the country today. At the House of the Masses some Revolutionary War flintlocks, used in presenting costume plays, were found in a cupboard. Stacked before a great pile of books thrown from the institution's library and surmounted with framed pictures of Lenin, Trotsky, and Marx, they made a picture all too falsely convincing of the "menace of bolshevism."

Today, January 19, the 300 men left of the 800 seized are housed in an old Army fort here. In addition, about 140 are out on bond. Warrants for holding these 440 arrived from Washington on January 12, 10 days after the raids. These warrants, the chief immigration inspector explained, "would block further efforts of attorneys to gain release for their clients through habeas corpus proceedings." For there are a few attorneys courageous enough to take the cases of these persecuted people. One of them is Walter A. Nelson, a student of constitutional law and sociology, and head of a corporation engaged in supplying milk to 180 Detroit stores at 2 cents under the prevailing rate. "I would not defend one of these aliens if the Government would open its gates and permit them to leave the country," Mr. Nelson said. "But the Government refuses them passports to leave and then arrests them for staying here. Scores of these people came to me months ago to help them get passports. I couldn't get them. Now the Government proposes to ship them to some unknown port, with what-not possibilities of death awaiting them, and to leave their families behind to starve. It is an outraging of everything that America ever has stood for."

This is the situation in Detroit today. Nearly 400 men, citizens and aliens, are free again after being confined for 1 to 2 weeks under conditions of horror, confined because their peaceful assemblage, guaranteed by the Constitution, led the Department of Justice to suspect that their beliefs, also protected under the Constitution, were inimical to the peace and safety of 110,000,000 people. Nearly 400 men are free after a taste of "Americanization" that bodes ill for any future Americanizers who do not come backed by the clubs of the police and the constabulary.

Nearly 400 men, and hundreds more women and children, have had the seeds of hatred sown in their breasts. And probably 400 others, no more guilty of a crime than these, are waiting exile to Europe to spread those same seeds of hatred there. Thousands more of the city's great foreign-born population have had terror planted in their bosoms—terror like that which makes it impossible for the leaders of a sick-benefit society to get its members together. And terror and hate are close akin. As for those Detroiters who may sometime have read the American Constitution and the Declaration of Independence, or remembered the proud boast that this was the land of freedom for exiles from autocratic Europe, a revulsion, silent but nonetheless deep-seated and stern, has come. The mayor, who speaks as strongly as he can, represents the indignation and resolution of others who speak not at all now but who may speak at the ballot box at some not distant day. The people, sound at heart and steadfast for the right when they know the truth, will some day come to demand an accounting for this slaughter of Americanism to make a Presidential candidate's holiday.

Mr. NORRIS. Mr. President, Senator Walsh, of Montana, put into the RECORD the report which he made to the full committee, which the full committee did not adopt because, as I have said, the full committee finally declined to make any report whatever. Senator Walsh's report was printed in the CONGRESSIONAL RECORD of February 5, 1923. I wish to read Senator Walsh's request to print this matter in the RECORD. On page 3004 of the CONGRESSIONAL RECORD for February 5, 1923, Senator Walsh said:

Mr. President, in the month of December 1920 the attention of the Senate was called to certain charges which were made against the Department of Justice in connection with what were known as the "red" raids. The matter was referred to the Committee on the Judiciary for investigation and report. It was referred by the committee to a subcommittee, which took testimony for some months. The subcommittee were unable to agree upon the report and were eventually discharged by the order of the full committee. Thereupon, however, I, a member of the subcommittee, submitted a report to the committee, and another report was submitted by the Senator from South Dakota [Mr. Sterling], also a member of the subcommittee, to which subsequently I replied.

Recently a motion was made before the committee that the report submitted by myself be reported to the Senate as the report of the committee. That motion was defeated by the following vote:

Yeas—Borah, Norris, Ashurst, and Walsh.

Mr. President, I am proud to be numbered among the four who voted in favor of the Walsh report. One reason why I am proud is that the report was made by Senator Walsh, of Montana, and concurred in by Senator Borah, of Idaho. Both those Senators have now passed on. The present Members of the Senate were all acquainted with Senator Borah. Some of the newer Senators did not enjoy the privilege and the pleasure of being acquainted with Senator Walsh, of Montana. It has been about 7 years since he passed away. He had served on the Judiciary Committee for many years, and he had a reputation in this body second to none. He was respected by enemy and friend alike. He had courage that was unlimited. He was one of the best lawyers in this body. He had a judicial mind, the superior of which no other Member possessed. I always feel that when Senator Walsh took his stand, after the study he made on this subject, after the months of toil and work he put in on this investigation, and on the raids made on order of Attorney General Palmer, if I had not been on the committee; if I had not read any of the record; if I had not been present when the discussion on the report or proposed report took place in the committee; if I knew nothing about it, and had to vote one way or the other, I would not have hesitated a moment to have followed Senator Walsh; such was my respect and my admiration for the man. When he made a study, as he did, of this question, and spent the time he did upon it, I never feared that he would go wrong. Now I will continue the reading:

Yeas: Borah, Norris, Ashurst, and Walsh.

Nays: Dillingham, Sterling, Ernst, Shortridge, Overman, Shields, and Nelson.

All those voting in the negative have now ceased to be Members of the Senate, and most of them have passed to their eternal reward.

Absent and not voting: Colt, Brandegee, Cummins, Reed of Missouri, and Culberson.

Thereupon the committee resolved that no report be made to the Senate upon the subject. I ask unanimous consent that the various reports referred to be printed in the RECORD.

Mr. STERLING. Mr. President, I did not quite understand the request of the Senator from Montana. Does the Senator desire that all the reports submitted to the committee may be printed in the RECORD?

Mr. WALSH of Montana. It is my request that all the reports which were submitted to the committee shall be printed in the RECORD and that the committee be discharged from the further consideration of the subject.

There being no objection, the Committee on the Judiciary was discharged from the further consideration of the subject and the reports were ordered to be printed in the RECORD, as follows:

I should like to print the entire report, but it is already in the RECORD, and I will not ask that it be printed again. I would be very glad, if Senators have the time, if they would read that entire report before they pass on the pending joint resolution. It is difficult for me to read it because it is printed in exceedingly small type, which makes it almost impossible to read in this light. I shall, however, read an extract from it:

The unusually large haul of January 2, 1920, arose from the apprehension of all persons attending meetings of the prescribed parties being held on the night of that day, the meetings having been called at the particular time at which they were held by the procurement of "under cover" agents of the Department of Justice acting under explicit directions in that respect from Washington.

And those agents were all, without exception, agents under the control and supervision of Mr. Hoover.

* * * * * * *

In many cases there was no affidavit submitted as a basis for the warrant, the unsworn statement of the agent of the Bureau being accepted as sufficient, the theory being that his official oath met the constitutional requirement.

* * * * * * *

What was done was substantially as follows: A batch of warrants was sent to an agent of the Bureau at a particular place—Boston, Chicago, or Detroit. He secured the cooperation of the local police officers and with their aid the places of meeting—the synchronized meetings having already been arranged for by him or through him, as heretofore stated—the places of meeting were raided. It was assumed or perhaps surmised that the individuals against whom warrants were held residing in the neighborhood of the meetings, respectively, would be among those attending. Possibly, not unlikely, in some instances information more definite in character was in the possession of some of those acting in the premises that the persons whose arrests had been authorized were actually present at the meeting, the warrants for such serving as justification, such as it was, for the invasion of the premises. But regardless of the warrants every person in the room was placed under arrest. They were lined up along the wall after the manner of the making of arrests of desperate criminals or of an old-time stage hold-up and searched.

That was the usual practice. These meetings were held at a time that had been arranged in Washington for the raids; and when the agents raided a hall where there was an organization meeting they lined up against the wall all the persons present and searched them. All those present were placed under arrest, and they were all taken.

Senator Walsh, in his report, said:

The essential lawlessness of the proceedings detailed needs no comment. It will be startling to learn that they were carried out in strict accordance with instructions sent by the Department of Justice to its agents in the field through a circular letter, the extraordinary character of which justifies its incorporation at length in this report. A copy sent to the agent at Boston is as follows:

These are the instructions which went out from Washington to all parts of the United States, to the agents who were to make this raid on the 2d of January 1920. I wish every Senator could read them. They are directed in this case to George E. Kelleher, Esq., box 3485, Boston, Mass. He was the local F. B. I. man in charge at that place.

I read from the instructions:

On the evening of the arrests this office will be open the entire night, and I desire that you communicate by long distance to Mr. Hoover any matters of vital importance or interest which may arise during the course of the arrests.

That again, in addition to the testimony of the Attorney General already read, couples Mr. Hoover with this disgraceful raid, which, as Senator Walsh says, may well be likened to the holding up of a stagecoach by desperadoes in the early days.

Let us see further. The instructions further say:

I desire that the morning following the arrests you should forward to this office by special delivery, marked for the "Attention of Mr. Hoover," a complete list of the names of the persons arrested, with an indication of residence, organization to which they belong, and whether or not they were included in the original list of warrants. In cases where arrests are made of persons not covered by warrants, you should at once request the local immigration authorities for warrants in all such cases, and you should also communicate with this office at the same time. I desire also that the morning following the arrests that you communicate in detail by telegram, "Attention of Mr. Hoover," the results of the arrests made, giving the total number of persons of each organization taken into custody, together with a statement of any interesting evidence secured.

The above cover the general instructions to be followed in these arrests, and the same will be supplemented by telegraphic instructions at the proper time.

Very truly yours,

FRANK BURKE,
Assistant Director and Chief.

Mr. President, it seems to me that comes pretty close to connecting the raids in 1920 under Palmer with the raids in Detroit under Hoover, and other raids like that under Hoover. It seems to me it shows without any question in effect what is going to be done when this order is carried out if Mr. Hoover has charge, as he will, I think, unless the Attorney General changes his mind. If we are to have a continuous performance of what went on in the Palmer raid and what went on in the Detroit raid, and the New York raid, and the Fremont, Nebr., raid—all of which, admittedly, were under Hoover—if we are going to continue that indefinitely, and make that a permanent thing, and turn over this subject matter to Mr. Hoover, the result will be, to my mind, to bring about in the hearts of millions of our people a distrust of the Federal Government. It will inevitably build up there a feeling that the Government is the people's enemy; and that is something that we should avoid in this country. There ought to be no such feeling on the part of the citizen.

The citizen, however, is not to blame. Especially is there no blame on the part of the ignorant alien who comes over here and applies for citizenship, who probably cannot speak the language. He probably has come from a government which has been oppressive. He left his native land for that reason. He comes over here and finds that this Government, as he sees the matter, is his enemy, or at least he looks upon it with distrust. The fact may not always be just as he sees it, because it is admitted that he may be misinformed. He often is; but we have to take conditions as they are. He is not to blame that he has been misinformed. The little children who have suffered because their parents have been torn away from their firesides are not to blame. They are not to blame for being here. They were not asked. They are here, and they ought to be cared for just as we care for our children. They ought to grow up to be patriotic and loyal citizens; but if they are going to commence their careers in life by looking upon such outrageous things as have occurred in the Palmer raids and the F. B. I. raids, they are going to look upon their Government with suspicion; and when hardship and distress and privation come, as they have come to us, there are going to be places in those hearts where the seeds of bolshevism, of communism, of Hitlerism can grow and thrive and bring forth fruit.

That is our danger, Mr. President. I do not see how we can deny it.

I have a great many other quotations which I should like to read to the Senate from Senator Walsh's report; but I have already called attention to the place in the CONGRESSIONAL RECORD where it can be found, and any student of the subject cannot help being benefited in his study of it if he will peruse the whole report made by Senator Walsh.

Mr. President, some of the persons who were arrested at that time later commenced habeas corpus proceedings. They applied for writs of habeas corpus, and the case was tried before Judge Anderson in Boston, Mass. Judge Anderson was a circuit judge, but he came down to the district court and tried the case. I should like to call attention to some of the things

which Judge Anderson found as matters of fact, and to his action in the case.

Mr. President, to begin with, a famous attorney represented these defendants, an attorney who is now a member of the Supreme Court of the United States. It was Felix Frankfurter who appeared on behalf of these defendants, some of whom were poverty-stricken. He went into that court and tried the case before Judge Anderson.

I read now from the case of Colyer and others against Skeffington, and so forth, found in Two Hundred and Sixty-fifth Federal Reporter, page 17. I read first from page 28. Judge Anderson said in part—and this has a direct bearing upon the question of whether the Immigration Bureau should be in the Department of Labor or the Department of Justice.

There are obvious reasons why Congress delegated the important and delicate functions of excluding and expelling aliens to the Labor Department. This Department is charged with certain functions pertaining peculiarly to human welfare; it exercises large powers over millions of persons, many of them poor, comparatively helpless, and unacquainted with our language and institutions. As the functions of the Department of Justice and the Department of Labor are radically different, the official personnel of the two Departments would naturally have different methods of procedure. But, without elaborating reasons, the mandate of Congress, entrusting immigration matters to the Department of Labor, is binding upon all Government departments, including the courts. The Commissioner General of Immigration is a subordinate in the Department of Labor.

Under the immigration laws authority is vested in the Secretary of Labor to provide rules and regulations for enforcing the provisions of the acts. Of these rules, which have the effect of law, the court must take judicial notice. * * * They are binding upon the Department of Labor as part of the law of the land. For present purposes, the most important rule is rule 22, entitled "Arrest and deportation on warrant."

Subdivision 2 of rule 22 provides:

"Officers shall make a thorough investigation of all cases when they are credibly informed or have reason to believe that a specified alien in the United States is subject to arrest and deportation on warrant. All such cases, by whomsoever discovered, shall be reported to the immigration officer stationed nearest the place where the alien is found to be."

I read that rule because it was important in the consideration of the case before Judge Anderson, and his approval of it is important to be noted. The judge, in his opinion, read the following instruction to agents:

Person or persons taken into custody not to be permitted to communicate with any outside person until after examination by this office and until permission is given by this office.

The judge then said:

The arrests were, in fact, made by the representatives of the Department of Justice, assisted by the local police authorities, all of whom acted under the direction of the agents of the Department of Justice. The raids were made on the evening of January 2, 1920, in the following cities.

Then he gives a list of them.

Agents thereupon, generally without warrants, to go about the halls or homes where these people were, arrest them, and bring them to the concentration point—commonly, a police station. When halls were raided the occupants were, as required by the instructions, lined up against the wall and searched. Many citizens were gathered into the net in this fashion and brought to the various police stations.

Judge Anderson continues, as appears on page 43 of the Federal Reporter, volume two hundred and sixty-five, from which I am quoting:

I refrain from any extended comment on the lawlessness of these proceedings by our supposedly law-enforcing officials. The documents and acts speak for themselves. It may, however, fitly be observed that a mob is a mob, whether made up of Government officials acting under instructions from the Department of Justice or of criminals, loafers, and the vicious classes.

There were also incidents of the arrests of women under conditions involving great hardship. For instance, the witness Mrs. Stanislas Vasiliewska, the mother of three children aged 13, 10, and 8, was arrested in a hall in Chelsea, taken in the police patrol wagon with her eldest girl to the police station, and both put with another woman into the one cell. About midnight they took her child and sent her home alone to a remote part of the city. Mrs. Vasiliewska was taken the next day to the wharf, where, with Mrs. Colyer, she was confined for about 6 hours in a dirty toilet room. She was then taken to Deer Island, where she was kept 33 days. Such treatment of women by the Department of Justice contrasts with that contemplated by rule 22, subdivision 10, supra, when women are taken by the Department of Labor, which has a lawful right to arrest alien women.

The witness, Minnie Federman, was arrested at her home at 6 o'clock in the morning. Several men, showing her no warrant, entered her room where she was in bed. She was told to get out of bed and dress, which she did in a closet. Then she was taken in a police wagon to the police station after they had searched her premises, apparently for I. W. W. literature. When they found that she was a naturalized citizen, she was allowed to go.

Mr. President, when we read the description given of that case by Judge Anderson, we cannot help thinking it is a perfect photograph of what happened in Detroit under Hoover in his later years. He had not forgotten how to follow the methods which were adopted under Palmer, and which are now in full force under Hoover himself.

I read further from Judge Anderson's opinion:

In Nashua a hall was raided and about 13 women taken, 6 or 7 of whom were released at the police station; 5 of them were kept from Friday night to Saturday afternoon in one cell, without a mattress.

Mr. President, it is only necessary to state what the facts are in order to have such actions condemned by any court in any civilized nation.

Judge Anderson continued:

It was under such terrorizing conditions as these that aliens were subjected to questionnaires, subsequently used as, and generally constituting an important part of, the evidence adduced against them before the immigration inspectors. Pains were taken to give spectacular publicity to the raid, and to make it appears that there was great and imminent public danger against which these activities of the Department of Justice were directed. The arrested aliens, in most instances perfectly quiet and harmless working people, many of them not long ago Russian peasants, were handcuffed in pairs, and then, for the purpose of transfer on trains and through the streets of Boston, chained together.

Mr. President, that is the Detroit situation again.

The northern New Hampshire contingent were first concentrated in jail at Concord and then brought to Boston in a special car, thus handcuffed and chained together. On detraining at the North Station, the handcuffs and the chained aliens were exposed to newspaper photographers and again thus exposed at the wharf where they took the boat for Deer Island.

The Department of Justice agents in charge of the arrested aliens appear to have taken pains to have them thus exposed to public photographing.

Private rooms were searched in omnibus fashion; trunks, bureaus, suitcases, and boxes broken open; books and papers seized. I doubt whether a single search warrant was obtained or applied for. There is some hearsay or inferential evidence as to obtaining so-called gun warrants in Worcester and Lawrence.

And so on.

In the early days at Deer Island one alien committed suicide by throwing himself from the fifth floor and dashing his brains out in the corridor below in the presence of other horrified aliens. One was committed as insane; others were driven nearly, if not quite, to the very verge of insanity.

* * * * * * *

As the hearings before the Immigration Inspectors progressed, it became evident that the preliminary investigations made before arrests, not, as contemplated by the rules of the Department of Labor, by the experienced inspectors of that Department, but by agents of the Bureau of Investigation of the Department of Justice, were wholly inadequate and unreliable.

Mr. President, a question of law was involved in this case. There were two cases just alike. One was tried before Judge Anderson in Boston, and one was tried before Judge Mack, I think, in New York. The judges held differently on the question of law. The question arose whether it was sufficient to allege and prove that the alien was a member of the Communist Party, or the Communist Labor Party.

I think Judge Anderson held that it was not enough only to prove membership in those organizations, and that Judge Mack held that it was sufficient to prove membership in one of the parties—I think the Communist Party. That question was taken to the Supreme Court and settled. But the findings of fact by Judge Anderson were never disturbed. They stand before the world today undisputed, uncontested. The Judge does not relate all the things that occurred, of course. The case before him involved a comparatively small number of these people.

On page 78 the Judge stated:

I regard it as entirely clear on all the evidence, some parts of which have been abstracted above, that the situation of these aliens at Deer Island was, in most essential respects, within the control of the Department of Justice; that the agents of that Department were improperly interfering with the recommendations of the labor inspectors who were conducting the hearings; that the recommendations of these inspectors were naturally and properly taken by Acting Commissioner Sullivan.

And so forth.

There is no evidence warranting a finding that these aliens, if released on reasonable bail pendente lite, would have endangered in any way the public safety, or that they would not have appeared, when required, for further hearing, or to answer deportation warrants. There is no reasonable explanation offered for fixing bail in sums which must have been expected to be prohibitive, thus making the provision of the statute and the general order of the Secretary of Labor of no real effect. The aliens, when bailed by this court, had already been held, as though under sentence for crime, for 3 to 4 months. Some of them were arrested and held for days without any warrant whatsoever. Some of them had very substantial savings, one $1,500, others less sums, deposited in banks or invested in Government bonds. They are mostly wage earners of good average type—not loafers or agitators.

Even if the arrests had been lawful and the proceedings had been regular throughout, it cannot be the law that an alien shall be held, beyond a reasonable time, for trial and determination of his right either to go free and earn his living in this country, or to be deported. The fact that in this instance the Government had overloaded itself by the wholesale arrests of hundreds of aliens, only a small fraction of whom was there evidence to hold, and had thus caused an untoward delay in the cases of these particular aliens, was not the fault of these aliens. Their rights were, within reasonable time, either to be deported or to be allowed their freedom. Their detention, under all the unprecedented and extraordinary circumstances of this case, I find and rule was illegal, warranting the issuance of the writs.

Mr. President, I have not read it, but it appears in evidence that in some cases these raids were made on halls and clubrooms in which the defendants were engaged in various social activities. In one case they were in a hall, and gathered as an educational organization. They had selected from among themselves a teacher, the one best qualified, as they thought, and they were studying various subjects. Mostly they were trying to learn to speak, and to read and write, the English language. They were seized for deportation while they were engaged in this study. Others were pursuing the most lawful and honorable tasks in the effort to gain a living. There were honest, honorable men and women among them. Perhaps some of them ought to have been deported. I do not question the authority or the right of the Government under a law of Congress to deport any alien who is included in deportation plans. It is admitted that Congress has the right to pass such laws. But it is not admitted that even Congress could pass a law which would provide for inhuman treatment in violation of the Constitution of the United States.

Mr. KING. Mr. President——

The PRESIDING OFFICER (Mr. CHANDLER in the chair). Does the Senator from Nebraska yield to the Senator from Utah?

Mr. NORRIS. I yield.

Mr. KING. Were those deportations based primarily and exclusively upon the ground that the persons were aliens, or was it alleged that they were guilty of subversive activities?

Mr. NORRIS. They were alleged in many cases to be members of the Communist Labor Party.

Mr. KING. Was there any evidence tending to show whether or not any of them had made application for citizenship?

Mr. NORRIS. Some of them had.

Mr. KING. Or whether they had been in the United States long enough to acquire citizenship?

Mr. NORRIS. Some of them had been, and had not yet acquired it. That is true.

That reminds me, Mr. President, that the evidence did show that one man in particular who was questioned as to what he wanted to do, and what he was doing, said he wanted to work to support himself, his wife, and one child, and wanted to be able to go to night school to study the English language. The aliens had classes among themselves, where those a little further advanced than the others had been selected as instructors. They sat around tables trying to obtain a better knowledge of the American Government, and trying to learn to speak and write the English language. Without any doubt whatever some of them had a burning desire to become American citizens. Even at that time some of them were carried on the records as members of the Communist Party.

I remember reading in the evidence about one or two Poles. In Poland they had been members of a political party similar to our Socialist Party, and when they went into the city where they lived with their own people who went there before them, they joined the Socialist Party because they thought it was the party to which they had belonged in Poland, and they remained members of the Socialist Party. I believe this was in Detroit, although I am not sure. They had a hall, and they went to the meetings. They were Socialists. I do not take it that that is any crime. Some of the finest people in the world are Socialists. At least under our Constitution one has a right to be a Socialist.

As we all remember, the Socialists had a national convention in Chicago quite a number of years ago, where there was great strife. I have forgotten what the issue was, but in that national convention the Socialist Party split in two. One half went on one side, and the other half on the other. One faction was afterward taken over by the Communist Party, and the small local Socialist organization to which these Poles belonged was not even aware that anything of the kind had happened. They did not know the Communist Party from a wheelbarrow. They probably had never heard of it; and yet their own lodge and all its members had been transferred over to the Communist Party. They kept on meeting just the same, doing about the same as they had always done; and it was later discovered that they were members of the Communist Party and subject to deportation on that account.

It seems to me cruel to persecute a man who left the country where he was born to escape oppression and hardship and has come to the United States of America, away beyond the sea, where he had been told the door was open and where all those seeking freedom and human liberty were invited to come and live under our form of government.

I do not advocate a course of that kind for my country. I think the time has come when we ought to restrict immigration more than ever. However, the original concept was that the United States was the "melting pot of the world." These people heard it. They gained very exaggerated ideas of it and came to America. Like little children, they thought they were getting into paradise when they came to this land.

The most natural thing of all for a Pole, who has had correspondence with members of his own race in this country, is to go to them and become a part of them. That was not the best thing to do. In the end, that does not produce as good a citizenry as would be produced if another course were pursued; but a Pole naturally went into a Polish community. It was only the children who learned English. The parents did not learn the new language. They went to their own church, where services were conducted in the Polish language. They went to their own organizations of all kinds. They had their little societies and meetings, all of them innocent. They were only giving expression to the natural desire of human beings for a little enjoyment in this life. They all had homes and children. They loved their children and their firesides; but they had come to the great United States of America; and, because they did not mingle with Americans, because they were isolated, because they did not learn our language, many times they were misled into paths that led downward instead of upward. Some selfishly inclined individuals of their own race took advantage of them and traded upon their ignorance to mislead them.

Mr. President, we see the children of those people, like the 11-year-old boy in Nebraska, whom I mentioned earlier, growing up in pleasant homes, with nothing to be said against

them except that they are very poor, and on the verge of being on the list which has to be supported by taxation. Nevertheless, they are respectable and perfectly innocent. They look upon their parents just as our children look upon us. They follow them as our children follow us. If we do a disreputable, dishonorable act in the presence of our children, or within the knowledge of our children, and continue to act in such a way, our children will remember it after we are dead and gone. It will affect their entire life. When our children see us imposed upon by being handcuffed, chained, and thrown into jail without cause, they receive an impression which persists through life, and will eventually leave a scar on a citizen of the United States. That is what I want to prevent from happening, and that is what we will prevent, to a degree, if we refuse to pass the joint resolution.

Mr. President, I sometimes doubt whether I shall live to see the time come, but before I pass from this mundane sphere I should like to see the time come when my country will be on the road to prosperity and happiness. I should like to see it a Nation of homes, where fathers and mothers will raise up patriotic families of children, educate them, teach them patriotism at their mother's knee, and prepare them for the time to come when all the parents will have gone, when the children will have grown and come into authority, and will be guiding the great ship of state. I want to see them equipped to guide it through channels that are serene, and among flowers that bloom and bring happiness to all the people.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Chaffee, one of its reading clerks, announced that the House had agreed to the amendment of the Senate to the amendment of the House to the amendment of the Senate No. 110 to the bill (H. R. 8202) making appropriations for the Department of Agriculture for the fiscal year ending June 30, 1941, and for other purposes; that the House insisted upon its amendments to the amendments of the Senate Nos. 44, 45, 95, 99, and 103 to the bill; that the House further insisted upon its disagreement to the amendments of the Senate Nos. 17, 20, 21, 37, 39, 41, 42, 43, 60, 61, 65, 66, and 105 to the bill; agreed to the further conference asked by the Senate on the disagreeing votes of the two Houses thereon, and that Mr. CANNON of Missouri, Mr. TARVER, and Mr. LAMBERTSON were appointed managers on the part of the House at the further conference.

AVIATION

Mr. McCARRAN. Mr. President, on May 24, I introduced a bill, which I shall ask to have printed in the RECORD, which, to my mind, is in keeping with the strides which have been made by the greater nations of the world along the lines of aviation. I do not altogether refer to the greater nations of the world alone; I refer to all the nations of the world which have seen to it that their defense along aviation lines was protected.

The nations abroad which are now in a life-and-death struggle have realized far more than the American people have realized that aviation is their first line of defense. Unfortunately, some of those nations have looked on aviation as their first line of offense. But from the standpoint of a peace-loving nation, the United States aviation should be, and I hope will be, its first line of defense.

There is no place so potential for the development of things progressive as the mind of youth. So in the nations abroad a great fountain has sprung from their youth which has resulted in an expansion of aviation.

Germany has given its greatest attention to developing aviation from the standpoint of youth; in other words, Germany has given to the youth of that nation a knowledge of aviation from the first step. In the schools of Germany for the past 10 or more years there has been a department of modeling for aviation, in which boys from 12 years of age on have been taught the fundamentals of aviation as a part of manual training in the schools. Indeed, the same thing has been done in France to a lesser degree, and still again to a lesser degree in England. The youth in the schools have been taught to model so as to prepare themselves for aviation, so that they might understand aviation from every phase of its growth from the fluttering toy to the deadly bomber.

The bill which I had the privilege of introducing a few days ago provides that in the manual training courses in American schools, under the Department of Education of the United States Government, there shall be established a department which will give, to the ambitious boy or girl who is aviation-minded, instruction in modeling aviation.

We have spent millions of dollars, and we are going to spend millions more, to produce pilots in this country so that the President's message may be given some implementation. If we produce 50,000 planes in the United States but have only 5,000 pilots, there will be 45,000 planes which will remain idle. But I would have our youth taken at the initial stage at which pilots begin to learn, when imagination is ever present. Imagination is the basis of all great adventure, and adventure is the greatest prerogative and greatest power of youth. When the love of ease overcomes the desire to adventure, then we are getting old.

I ask now, as an initial step, in order that the Senate may have its attention drawn and the people of the United States may have their attention drawn to this matter, that the bill which I introduced on May 24, to establish a Division of Aviation Education in the United States Office of Education, Federal Security Agency, and for other purposes, be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

Be it enacted, etc., That there is hereby created and established within the United States Office of Education, Federal Security Agency, a Division of Aviation Education, the functions of which shall be as follows: (a) To conduct research and make studies and investigations with respect to means and methods of promoting and carrying on education in aviation in the United States; (b) to furnish information and assistance to organizations seeking to promote such education; (c) to cooperate with public educational institutions in providing plans and material for instruction in aeronautics, including such subjects as aerodynamics, the theory of flight, the airplane and its engine, meteorology and map reading; (d) to stimulate interest in aviation among the youth of the Nation; (e) to assemble, compile, and maintain for reference and distribution records and statistical and other data on occupational opportunities in the field of aviation and the availability of training in aviation; (f) to prepare and distribute material for extension courses; and (g) such other functions as are necessarily incident to promoting education in aviation or related thereto.

SEC. 2. (a) The chief administrative official of such Division shall be known as the Director, and shall be appointed by the Commissioner of Education. The salary of the Director of such Division shall be $6,500 per annum. There shall be in such Division an Assistant Director, to be appointed by the Commissioner of Education, who shall possess the power and perform the duties of the Director during a vacancy in the office of Director or during the absence or inability of the Director. The salary of the Assistant Director shall be $5,600 per annum.

(b) The Director is authorized to appoint, subject to the civil-service laws, such other officers and employees as are deemed necessary and to fix their salaries in accordance with the Classification Act of 1924, as amended. With the consent of the Commissioner of Education, the Director is authorized to accept and utilize voluntary and uncompensated services of any person and to utilize, without additional compensation, the services of such consultants and research assistants as may be, at the request of the Commissioner of Education, assigned for that purpose by any department or establishment of the United States.

(c) The Director is authorized to make such expenditures as may be necessary for the exercise and performance of the duties and functions provided for by this act, including expenditures for (1) rent and personal services at the seat of government and elsewhere; (2) travel expenses for officers and employees of the Division of Aviation Education; (3) office furniture, equipment, supplies, newspapers, periodicals, and books of reference; and (4) printing and binding.

SEC. 3. The Commissioner of Education is authorized to select a committee of not to exceed 15 members for the purpose of obtaining advice with respect to programs of aviation education. Such committee shall meet at such times and at such places as the Commissioner of Education shall direct and confer with the Director of the Division of Aviation Education and the Commissioner of Education on plans and methods for promoting aviation education. The members of such committee shall serve without compensation as such members and shall be selected from persons nominated by the following organizations or interests, and there shall be at least

1 member on such committee representing each such organization or interest: Aeronautical Chamber of Commerce of America, Air Transport Association of America, private flying, soaring, the United States Army Air Corps, the United States Navy Bureau of Aeronautics, the United States Weather Bureau, the National Advisory Committee for Aeronautics, the Civil Aeronautics Authority, the National Aeronautic Association, Institute of Aeronautical Sciences, the Airline Pilots Association, and Model Aircraft Work.

SEC. 4. There is hereby authorized to be appropriated for the fiscal year 1941 the sum of $35,000, annually thereafter such sums as may be necessary, to carry out the provisions of this act.

Mr. McCARRAN. Mr. President, I also ask to have inserted in the RECORD an excerpt from National Aeronautics, a publication very much esteemed in the United States. This excerpt appears on page 19, under the caption "Education."

The PRESIDING OFFICER. Is there objection?

There being no objection, the matter was ordered to be printed in the RECORD, as follows:

EDUCATION

Start an education program through the Civil Aeronautic Authority on the advantages of privately owned planes for business and pleasure use. Prepare and make available at low cost complete ground-school courses, together with examinations for both instructed and self-taught. Publish similar, but ground-school courses for younger people, together with plans for model planes and manuals on model-plane construction and flying. Establish a section of aviation education in the Federal Office of Education to foster the use of aviation as a conveyor subject in secondary schools.

Mr. McCARRAN. Mr. President, I also ask to have inserted in the RECORD a very able article on the very subject of my bill, which I have had inserted in the RECORD, the article being by J. Parker Van Zandt, which appears on pages 12 and 13 of National Aeronautics, bearing on the training of boys and girls in the schools of the United States, and under national control and supervision, the art and science of aviation.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

MAKING THE PUBLIC AIR-MINDED—HOW DENMARK GIVES HER CHILDREN AN OPPORTUNITY TO FLY

(By J. Parker Van Zandt)

There's nothing rotten in Denmark, speaking aeronautically. It's a little country with a big idea. An idea so sound and far reaching that were the United States to adopt it flying in America would be revolutionized.

Quite by accident I stumbled on it last autumn in the little city of Esbjerg. Danes call Esbjerg the "Chicago" of Denmark; tourists know it better as the port for the channel route from Harwich to Copenhagen. The romantic island of Fano is a short ferry ride away, with its fine bathing beaches and colorful native costumes.

That's what took me there. I was hunting a spot to rest and swim after months spent searching for new ideas up and down Europe's airways, from Egypt to the Arctic Circle and Ireland to the Black Sea. As it happened, the biggest idea of all was where I least expected to find it.

Denmark, you know, is an island kingdom like England, but, unlike England, it has a foothold on the continent. The peninsula of Jutland, where you'll find Esbjerg, is the Danish mainland and quite the biggest part of the kingdom. But in Denmark the "tail wags the dog." For Copenhagen, the capital, is on a smaller island to the east, facing Sweden across the narrow straits where Hamlet once held sway.

Up to 2 years ago the Danish peninsula was not on any air map. All the famous European air lines passed it by. The Scandinavian Air Express, which brings the north countries within a few hours of London and Paris, the routes to Germany, Holland, and elsewhere, all stopped at Copenhagen. Jutland, and with it Esbjerg, was out of the great current of modern aviation progress, caught in a quiet backwater.

Not that the Jutlanders cared. They weren't air-minded. Proud even of their dialect, Jutlanders would tolerate no condescension from the capital or new-fangled contraption from Copenhagen. They turned a deaf ear to anything proposed by the directors of Det Danske Luftfartselskab—the Danish Airways.

REGULAR SERVICE ESTABLISHED

Two years ago, however, an experimental airline to northern Jutland demonstrated unmistakably that provincial leaders would profit from the establishment of a regular air service. Last summer saw the inauguration finally of several daily air connections between the peninsula and the capital, as well as a north-south route from Aalborg via Esbjerg, to Germany.

Converting conservative Jutlanders to air travel, however, proved tough sledding. The rank and file still belonged to the Abraham Lincoln school of flyers—they believed a man's legs should be long enough to reach the ground. Isolated by their geographical position, they had had no inducement to develop an interest in flying.

BREAKING THE ICE

So the directors of the air line went into a huddle with the city fathers of Esbjerg. Something had to be found to stir up local enthusiasm. Some scheme to break the ice and get more people started to flying was essential. The first time off the ground was the "hump"; once over that, the rest would be easy sailing.

So here is the idea they evolved:

The city fathers agreed to invite all the school children to ride free of charge on short joy flights over the city, as a part of their regular educational training. The air line agreed to place the necessary equipment at the disposal of the board of education, at something less than actual operating cost.

MAKING IT SIMPLE

Before each flight, instructors would explain in simple language what kept a plane in the air and the function of its various parts. Flights would be only out of regular school hours, so as not to interfere with classroom work. Following the demonstrations, parents and others would also be offered joy rides at reduced rates.

"But," warned the skeptical burgomaster, "of course, not half the children will fly. In the first place, their parents won't let them. It must be clearly understood that this is entirely voluntary, without obligation either on our part or theirs. We have 4,600 school children in Esbjerg, and you won't get over 3,000.

"All right," agreed the air-line directors. "We'll carry the first 3,000 at so much apiece, and any over that number at a lower figure." Final details were worked out and the plan put into effect last June.

How many of the 4,600 school children do you suppose accepted the Board of Education's invitation? Over 4,500.

Youngsters deviled the life out of their families until they obtained the coveted permission to fly. Timid parents had no peace.

PARENTS COAXED ALONG

The children talked of nothing else around the family table. Fathers and mothers were dragged to the airport to watch, loudly protesting, and ended by taking joy rides themselves.

On 1 day alone in a city of only 37,000 citizens there were 835 passengers. In 6 weeks over 10,000 had flown—practically one out of every three inhabitants. Aviation was the town topic—and has stayed so. Today Esbjerg, on the Jutland Peninsula, is the most air-minded city in Europe.

Now, transfer this idea to America:

Can you picture to yourself what it would mean if the boards of education in all our progressive cities and towns, from coast to coast and from Canada to the Gulf of Mexico, were to adopt this plan? How many hundreds of potential Esbjergs there are in the United States.

"And a little child shall lead them." More than 5,000,000 school children making air-minded enthusiasts out of 10,000,000 parents and an uncounted host of uncles, aunts, and in-laws. It would transform the whole tempo of aviation progress in America.

This Esbjerg idea is no idle theory. It works. It's a demonstrated plan that packs a wallop.

Europe's totalitarian states have demonstrated what the threat of aircraft can do to democracies that do not prepare. Let little Denmark, Europe's oldest unconquered kingdom, show us the democratic way to make the United States an air-minded, unconquerable nation.

Mr. WHEELER obtained the floor.

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

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Adams	Connally	King	Schwartz
Andrews	Danaher	La Follette	Schwellenbach
Ashurst	Davis	Lee	Sheppard
Austin	Downey	Lodge	Shipstead
Bailey	Ellender	Lucas	Slattery
Bankhead	George	Lundeen	Smathers
Barbour	Gerry	McCarran	Smith
Barkley	Gibson	McKellar	Stewart
Bilbo	Gillette	McNary	Taft
Bone	Guffey	Maloney	Thomas, Idaho
Bridges	Gurney	Mead	Thomas, Okla.
Brown	Hale	Miller	Thomas, Utah
Bulow	Harrison	Minton	Townsend
Burke	Hatch	Murray	Truman
Byrd	Hayden	Norris	Tydings
Byrnes	Herring	Nye	Vandenberg
Capper	Hill	O'Mahoney	Van Nuys
Caraway	Holman	Overton	Wagner
Chandler	Holt	Pepper	Walsh
Chavez	Hughes	Radcliffe	Wheeler
Clark, Idaho	Johnson, Calif.	Reynolds	White
Clark, Mo.	Johnson, Colo.	Russell	Wiley

The PRESIDING OFFICER. Eighty-eight Senators having answered to their names, a quorum is present.

Mr. WHEELER. Mr. President, I would hesitate to take up the time of the Senate at this late hour of the day but I think the subject which I am about to discuss, because of the hysteria which seems to be now sweeping the country, is of sufficient importance to justify my doing so.

The Senator from Nebraska [Mr. NORRIS] has just concluded a speech of several hours, which I regret more Members of the Senate did not hear. He called attention to what went on during and after the last war with reference to persons being persecuted and denied their civil rights. That the same thing is taking place or beginning to take place in this country is revealed by nearly every daily newspaper which is printed in America. I happened to pick up and read the New York Times of this morning. I noticed a headline:

Two Labor Party men beaten by paraders. Attacked after passing out antiwar bills.

I know nothing of the circumstances, but this indicates the hysteria which is sweeping the country, and particularly in some of the cities of the East.

Mr. President, at a time when wars are raging around us, problems of defense and national safety must remain uppermost in our minds. We shall not find much to comfort us until we have taken every possible step to preserve liberty and democracy in a world from which those concepts are rapidly vanishing. But it is important for us to remember that such steps as we have taken, and others which we may be called upon to take, will be nullified unless they contain safeguards to preserve our traditional freedom of speech and opinion, our even-handed justice and fair labor standards, as well as whatever amelioration of social ills we have been able to obtain. It is impossible to defend our country against any possible threats, internal or external, without defending with our last breath the very basis on which this country was founded. Our earliest statesmen formed and stated an American policy of civil liberties sufficiently broad and strong, and so fundamentally in accord with American thought then and now, that liberty has survived and continued to grow in our land despite assaults upon it made in successive periods of grave emergency and strife. We have fought for liberty in the past with the strength that only freemen can muster. We must continue to fight in the future for the liberty which is our greatest defense against oppression or invasion by tyrants.

Civil liberty cannot be an abstract thing for Americans—a phrase to which we can pay lip-service, and then forget in practice. Our whole life is rooted upon it, and we have seen what has happened in countries where it has ceased to exist. The last decade has made us all familiar with the suppression of opinion, of newspapers, of churches, of legislatures, of courts, and of civil rights, which has come about in some European countries today. We all know the horrors of concentration camps, the brutal murders of political opponents, the functionings of secret political police who are employed to keep every person under observation, and to smash labor unions, and torture those whose only crime is that they hold unpopular religious or social opinions. To an extent unparalleled in history, human rights have been trampled upon and banished from the totalitarian states. Now that Europe is at war, that fanatical forgetfulness of all ideas of justice and freedom threatens to engulf the world—even our part of the world, where we have so long cherished quite opposite ideas.

In this country we are beginning to be faced with attitudes and states of mind which, if unchecked by reason, common sense, and the lessons of past experience, may threaten serious harm to our security and independence.

Let me call attention to the object lesson which we have before us today. I recently traveled across the country; and during my trip, patriotic, good citizens came to me and said that we ought to pass stringent laws to suppress this group or to suppress that group. It should be remembered by all those persons who are talking about suppressing their opponents, or persons who have different views from those held by some of us, that when Mr. Hitler came into power he promised the people of Germany that he would suppress all labor unions, that he would reduce wages, that he would increase profits, and that he would stamp out all liberal thought in all of Germany. The persons who put Mr. Hitler in power—the great German bankers and the great industrial leaders—did so because they wanted to see their opponents crushed and liberalism stamped out in Germany. Hitler carried out his program, but in carrying it out, the suppression of liberties struck home at those who sponsored him. Thus the very persons who had placed him in power gradually began to complain and to criticize and to disagree with him; and when they disagreed with him he sent them to concentration camps. He suppressed free speech upon their part; and that is exactly what always takes place when a dictator comes to power, or when free speech is suppressed in any country.

This is exactly what has happened in other countries where men have started to suppress free speech on the part of their opponents. The treachery of traitors within neutral countries of Europe has in some cases proved the undoing of those countries. We have seen "fifth columns" of disbelievers in democracy do their traitorous work behind the lines, and have wisely begun to ask ourselves to what extent our liberties and security may be endangered by possible traitors at home. Certain precautions have been taken, or have been proposed. There is general agreement that if there are spies or traitors in our midst they must be caught and properly dealt with. But our precautions and our self-questioning cannot succeed if their only effect is to arouse hysteria and set in motion forces and programs which may become as great a menace to democracy as the menaces they seek to combat. We cannot succeed if we relinquish the fundamental basis of democracy, or if we abandon vital parts of our hard-won social progress. The President has warned us against succumbing to hysteria arising from the widespread emotional disquiet provoked by recent events abroad. In his speech on May 26, he outlined the need for an adequate defense. Then he cautioned:

While our Navy and our airplanes and our guns may be our first lines of defense, it is still clear that way down at the bottom, underlying them all, giving them their strenth, sustenance, and power, are the spirit and morale of a free people.

The spirit of a free people is not made any more free by knocking out the props from under freedom. Quite the opposite is the case. So long as there are millions of unemployed we cannot afford to compel people to work longer hours or to accept lower wages. Neither can we preserve liberty and justice for some by denying it to others. This is not a time to harass, hound, or persecute anyone, no matter what his station in life may be, whether it is high or whether it is low. It seems to me this is a time for all classes of citizens in the United States, whether they be businessmen or whether they be laboring people, to unite for the common purpose of maintaining democracy here. It is time for all of us to stop calling each other names. Proposals which may have the effect of persecuting minorities are fundamentally un-American. If they involve the denial or infringement of the civil rights granted under the Constitution, restrictive measures may become as obnoxious to freedom-loving Americans as any disloyal action by a citizen or noncitizen. Hysteria or mob action without due process of law can have no part in the solution of any problem raised by the presence in our country of undesirable immigrants.

The President has also stated, in his message accompanying the proposed transfer of the Bureau of Immigration and Naturalization from the Department of Labor to the Department of Justice:

While it is designed to afford more effective control over aliens, this proposal does not reflect any intention to deprive them of their civil liberties or otherwise to impair their legal status.

I do not believe the President of the United States has any intention of doing other than he stated in his message to the Congress; but those of us who have been familiar with the activities of the Department of Justice in the past, and particularly during periods of hysteria, cannot help being fearful lest the same Bureau of Investigation resort to the same tactics which it has used on previous occasions, particularly when one of the same men is in charge of those activities.

Attorney General Jackson, who will have the great responsibility of guarding the rights and welfare of noncitizens if their supervision is transferred to his Department, vigorously affirmed his intention to carry out the President's assurance that the rights of noncitizens are to be assured. The Attorney General said on May 23:

> Every precaution will be taken to observe both the letter and the spirit of the President's message which assures proper respect for the civil rights of noncitizens.

But in view of the statements which have been made upon the floor of the Senate by the distinguished Senator from Nebraska [Mr. NORRIS] as to some of the things that have gone on, and in view of the report which the Attorney General made in answer to the Senator from Nebraska, it is not any wonder that people are skeptical. As I said on yesterday, I am not opposed to, and in fact, I should be very much inclined to vote for, a transfer of the Bureau of Immigration and Naturalization to another Department than the Department of Labor; but, in my humble judgment, the Department to which it more properly belongs is the Department of State.

The reassurances I have just quoted from the statements of high officials have come at a time when they are sorely needed. Already zealous persons, in their vigilance and their desire to be helpful, have acted and spoken without calmness and reason. Some of the instances reported by the newspapers during recent weeks might move us to laughter if they were not so prophetic of more dreadful things to come. For example, last week here in Washington police and Federal officers surrounded a downtown building on Twelfth Street to make a raid on suspected "fifth columnists." They dashed up three flights of stairs only to find one of the alleged plotters propped up in bed, innocently reading a mystery novel. In Philadelphia the police had to rescue from a barrage of eggs two youngsters who had obtained a permit for a peace talk. The speakers had to be taken to a police station as a protective measure. In Illinois, a number of radicals were threatened by mob action, and they, too, were compelled to take refuge in a police station overnight. Three persons were ejected from a border town in Texas by an angry mob of citizens. They were suspected of being Nazi sympathizers and the literature they carried was burned. After the aroused emotions of the townspeople had calmed down, it was discovered that the victims were in fact missionaries of a religious sect, and that the leaflets they were distributing were religious tracts filled with Bible quotations.

It so happened that a daughter of mine returned from St. Louis this morning. She told me that in St. Louis people are going around painting swastikas upon the homes of families of German descent. That is happening not only in St. Louis; the tide of intolerance is again rising in our country as it did during the last war. Such instances as these have brought to leaders of American thought, to press commentators, and to the editors of influential newspapers, the realization of the need for conquering the hysterical currents abroad in the land before they lead to a complete break-down of civil rights. Raymond Clapper wrote the following statement in the Scripps-Howard newspapers of May 28:

> We are in danger of going into a panic of fright, if indeed we are not already at that stage, over the "fifth column" danger.
>
> Public temper concerning national defense has struck an energetic, workmanlike pace. That same spirit should be applied to the "fifth column" problem. We are in danger of wrecking some of the basic things for which democracy stands, of doing the very things for which we so despise the Hitler regime, of wronging innocent people.
>
> Being calm and avoiding hysteria does not mean, or should not mean, being indifferent. We cannot afford to be indifferent about anything that concerns our national security. We can afford to be cool-headed.
>
> In the matter of the "fifth column" some fantastic events are being reported in the press. One organization intends to have 1,000,000 rifle-toting mothers ready by July 1 to combat any parachute invasion. Two parachute legions have been formed in Pittsburgh. In California there is an Erase the Fifth Column, Inc. Some fellow was reported shot because someone thought he was a "fifth columnist." A newspaper reader telephoned me the day after ex-Governor Landon issued his recent statement against a third term and said that was a "traitorous" utterance. A friend of mine, noticing in a newspaper a headline that the Nazis were advancing, said a pro-German must be writing those heads.
>
> Police here received a mysterious telephone call that two "fifth columnists" were about to blow up a Government building. Police raced to the home address given. Four surrounded the house, five dashed upstairs, flung open the door, and found one of the suspects reading a Conan Doyle detective story. After questioning him police decided their tip was the work of a crank.
>
> Press reports indicate that minutemen are springing up in many places. Before long any little pants presser will be able to put a competitor out of the way by turning him in as a "fifth columnist." Any fellow who wants 30 cents an hour when the boss is paying 25 cents will be suspected as a "fifth columnist." If this business goes on what will be the difference between a Communist criticizing President Roosevelt or a Republican criticizing him? They will both be stirring up dissension.

Mr. Clapper then discussed possible measures or precautions which he would like to see taken. He concluded with these words:

> In short, there is plenty of legitimate work to be done against real "fifth column" activities by authorized officials. The rest must be trusted to the good judgment and democratic spirit of American citizens.
>
> In the previous war, concrete tennis courts were reported as German gun emplacements cunningly laid here for future use. A restaurant which served a bit of rock salt in a dish of ice cream was liable to suspicion of having a German spy planting ground glass in the food. It will be a sad day in this democracy when a fellow can't tell one of those old W. P. A. jokes without being suspected of "fifth column" tactics to undermine confidence in the Government.

I have, on another occasion, told the story how, during the last war, reports came into the city of Washington from my State of Montana, that German airplanes were flying over the Rocky Mountains. I asked a Justice Department officer to look into the matter, and when he returned he reported that there was nothing to it. Later, I asked a United States marshal to look into the story, and he also reported that there was no basis for the stories. Yet the Washington office insisted that German airplanes were flying around out there. I then went down and conferred with an Army captain at the fort at Missoula. He said, "Have you ever been up to the little town of Hamilton at night, and then returned through that beautiful valley to Missoula? As you come down through the valley and look over your right shoulder you will see the North Star, and as you are moving the star appears to be moving too." He added, "These good, patriotic citizens out here have actually got to thinking they are hearing the buzz of an airplane; and that is all there is to it."

The hysteria in those days reached the stage where patriotic citizens all over the country were carried away, and were suspecting every one who had a German name. I could call attention to incident after incident along that line. All who were then active in affairs can do the same. There is no need for further detail on that score.

Mr. Justice Murphy, when Attorney General, ably stated the consequences of going about the job of saving democracy in an undemocratic way. He said:

> You do not and cannot strengthen and protect democracy by undermining it. And you begin to undermine democracy the moment you begin to draw the line and say that this or that person or group shall not have civil liberty. Draw the line against one group and it is an easy step to draw it against another, and then another.

The need for maintaining democracy by making democracy a living thing was recently stated by Chief Justice Hughes, who said:

> You cannot maintain democratic institutions by the forms of words or taking occasional patriotic vows. You maintain democracy by making the institutions work as they are intended to do with the full confidence of the people.

During the Court fight I stated that, in my judgment, Chief Justice Hughes would go down in history as one of the greatest Chief Justices ever to serve upon the Supreme Court. All during the war hysteria, all during his life, in fact, he has taken a position in line with the statement which I have just quoted.

In a well-considered editorial on May 25, the Washington Post declared that the right to hold and express opinions is inherent and unassailable, and added that to argue otherwise

is to emulate the methods of dictators while denouncing them. The Post editorial concluded:

One might believe, to listen to some current assertions, that all who are not now feverishly pro-Ally are by that token pro-German and "fifth column" in their outlook. The use of the phrase in that connection is ominous. It implies the undermining of an essential safeguard of democracy, which is the protection of minority opinions—no matter how unpopular and unwelcome they may be.

The most dangerous "fifth column," it may be argued, is composed of those who at this time seek to overwhelm and silence unorthodox opinions. It is composed of those who would stigmatize as traitorous all ideas and thoughts which do not coincide with what they personally deem desirable. That "fifth column" may be eager to defend the United States. But it has no wish to defend democracy.

This same thought was expressed by the New York Times on May 24:

The time has not come—and, God willing, will not come—when we shall see a spy behind every bush and a public enemy behind every foreign accent. The President specifically disclaims "any intention to deprive aliens of their civil liberties or otherwise to impair their legal status." We can count on Attorney General Jackson to live up to the spirit as well as the letter of this admonition.

The "fifth columnists" in every democratic country have abused their liberties. They are as low and groveling a form of human life as one can imagine. But they cannot be successfully fought by taking away the liberties of loyal citizens or of law-abiding aliens who are honestly grateful for the hospitality they have found here. Whatever happens, we must stand firm in friendship for all who love liberty.

The New York Post on May 27 warned against steps which might add some of our own people to the total of our enemies:

To cause suffering and despair in 2,000,000 people because of the actions of an infinitesimal percentage of them will only add to the problem of defense, not solve it.

On May 24 the New York Post, in the course of a long editorial, emphasized the need for caution in launching measures against our neighbors:

A blind movement against all foreigners is gathering force. Nothing could be more unjustifiable. * * * Protection of our democracy from so-called "fifth column" plots cannot be helped by persecution of the foreign-born.

The decent, hard-working neighbor with the unfamiliar accent is still the same today as he was last week. He is busy with the problems common to us all, the earning of a living, education of his children, the security of his home. If he belongs to any organization at all it's probably connected with his church or it may be a social club, where he can play a game of pinochle or backgammon and relapse for half an hour into his old language. The notions and politics of the Old World are far away, although he may be worrying over the fate of relatives overseas.

Men such as these were the fathers or grandfathers of many of us. Yet men and women, under the stress of fear, have short memories.

Mr. President, an account of an interview with Jonathan Daniels, the distinguished North Carolina editor and traveler and the son of Josephus Daniels, now Ambassador to Mexico, was published in the Washington Post on May 25. The account reports Mr. Daniels as believing that the country is "very sound at the core." The following is an extract from this newspaper story:

[Mr. Daniels] believes that most of the Germans in the United States would be loyal to this country in extreme eventualities and is convinced that the chief concern of everyone even now "is how to get something to eat."

"When they have a full stomach they all are nice," he said. He found them, everyone, still wanting bread and the security that brings it rather than guns.

On May 29 the New York Times commented on one of the bills currently before Congress which contains what the Times refer to as—

a provision which is a deadly blow at the civil liberties of several million law-abiding residents of the United States.

The editorial reads:

The fact that the alien is legally here will not save him [from being subject to the provision]. The fact that he may be a refugee from Russian or German tyranny will not excuse him. The fact that he has applied for his citizenship papers is immaterial. The fact that he fervently accepts the loftiest American traditions, including the Bill of Rights, will have nothing to do with his case.

Unconstitutional or not, the measure carries in every syllable the mark of bigotry and injustice. It turns its back on the noblest aspirations of the greatest Americans from the time of George Washington down. It comes as fuel to the flames of irrational prejudice at the very time when we need to be calm, to be tolerant, and to seek and hold the friendship of all men everywhere, on our shores and in foreign lands, who love liberty, who hate injustice and tyranny, and who believe in progress under law.

I call attention to these things because I have heard persons not in Congress say "Congress ought to pass laws to suppress this or that organization." And I have heard Congressmen and others in high places in the Government say the same thing. They denounce a totalitarian form of government on the one hand, and on the other hand they would set up totalitarian mechanisms which can only bring about totalitarianism in the United States of America.

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

Mr. WHEELER. I yield.

Mr. VANDENBERG. In line with what the Senator has just said, and touching one phase of it—a totally different phase—I want to take the liberty of reading to the Senator one paragraph from the Presidential message which was read in the House of Representatives at 1 o'clock today. I read as follows:

There is a specific recommendation I would make in concluding this message: That before adjournment this Congress grant me—

The President speaking—

grant me the authority to call into active service such portion of the National Guard as may be deemed necessary to maintain our position of neutrality and to safeguard the national defense, this to include authority to call into active service the necessary Reserve personnel.

Mr. President, as I read that paragraph it is shocking to me, because it sounds to me like a request for power to order at least partial mobilization on the strength of Executive authority alone. I submit that if we are that close to emergency this Congress had better stay in session continuously, and exercise its own constitutional authority with respect to mobilization. I should like to ask the Senator from Montana whether civil liberties are not involved in that sort of a contemplation.

Mr. WHEELER. Mr. President, I issued a statement a few days ago in which I said that I thought the Congress ought to stay in session, and that it owed a duty to the people of this country to remain in session during this period of hysteria.

My sympathies are with the Allies, but I have repeatedly said that I am vehemently opposed to any step that may lead this country into sending American boys across the waters. Not only that, but I oppose granting to any President of the United States, in the absence of the Congress, the authority and the right to mobilize or to take away the power that rightfully rests with the Congress of the United States.

In two editorials on May 26 and 27 the Washington Post again stated the case for tolerance and restraint. On May 26 the editorial writer pointed out that there is at present no emergency calling for the discriminatory treatment of law-abiding persons, and there is "no need to impair the fundamental rights and privileges that have made this country and its flag a source of pride." On the following day this newspaper said that—

Unremitting vigilance is essential * * * to guard against acts of oppression toward harmless aliens at a time when the public is in a highly excitable state of mind. * * * Fair-minded Americans must resist these trends. Otherwise the proposed system of alien registration, instead of being a legitimate protective device, might easily become a census of persons subject to unfair discrimination and oppressive restrictions.

The press of the Nation in general, as well as leaders of opinion, are apparently alive to the dangers implicit in any restrictive measures undertaken against minority groups in this country. It is also still realized that we cannot backtrack on either social progress or civil rights. The results of maintaining high standards of wages and hours, and an

extended rather than a curtailed program of economic security, are value not only in themselves. They have now become a part of the American way of life which, if we should ever have to go to war, we would be fighting to retain. Meanwhile, they are an essential part of the defense of our country, since the man who has but a small stake in democracy and has enjoyed few, if any, of its benefits cannot be expected to do battle as energetically in its defense as the man who has a job, who has some measure of security for himself and his family, and who is the beneficiary of all our heritage of freedom.

There is another reason why neither civil rights nor the fruits of progress can be sacrificed. The curtailment of either would lead to the possibility of dissension and would surely turn group against group at a time when national unity is most to be desired. The singling out of minorities for special controls or repressive action cannot fail to arouse resentment among large numbers of our people, whether they are citizens or noncitizens.

If action against minorities should include repressions that, through zeal or misguidance, result in needless severity or brutality, or in violations of the constitutional rights of aliens, such steps would be resented by the millions of Americans whose parents or grandparents were foreign-born and who fled to this country to escape the blight of oppression and injustice that has from time to time fallen upon other parts of the world. There can be no question but that the deprivation of democratic values would make for serious discord. Some of those who are now loyal might become less loyal. Some of those who have loyally closed their ears to the whisperings of the disloyal might, in the face of cruelty and the raids of secret police, take refuge in the ranks of the very "fifth columns" whose threat we are engaged in combating. Such methods would gain an attentive audience for the crackpots and the foreign agents around us.

This tragedy, which is entirely possible of accomplishment, as events of the past prove, must be prevented at all costs. And the best preventative may be found in the orderly application of the processes of democracy. Any other method does irreparable harm to great values. In the emotional chaos which the horrors of war produce, it is difficult to remember—but essential to remember—that it is impossible to be too free to fight for liberty, too democratic to fight for a republic, too just to fight injustice. The best bulwark against dictatorship is democracy; so long as the one exists there can never be the other.

It was after the post-war raids against aliens in 1920—raids which were replete with a disregard for legal, civil, and personal rights and which were denounced at the time by eminent members of the bar as savoring "of the worst practices of tyranny"—that the Honorable Charles Evans Hughes was led to make a grave speculation. He said:

> We may well wonder in view of the precedents now established whether constitutional government as heretofore maintained in this Republic could survive another great war even victoriously waged.

Mr. President, those are not the words of a radical. Those are not the words of a Democrat. Those are the words of a Republican, the Chief Justice of the United States, and a great American.

The memory of those days, when the Department of Justice carried out raids in which as many as 2,000 law-abiding persons were arrested in a single night, remain very much in the minds of many of us. That memory and the fear that hysteria will again prompt terroristic night assaults on many innocent and worthy citizens and noncitizens in the name of stamping out a "fifth column" haunts all of those who are now raising their voices against the enemies of tolerance, of restraint, of lawful process, of democratic procedures in dealing with as yet unrealized and undefined threats to our democracy.

The 1920 raids were carried out by the notorious General Intelligence Division of the Department of Justice. The details of those raids will bear close study if we wish to avoid their repetition now or in the future. Among other evils accompanying the raids were serious violations of fundamental constitutional rights, as was pointed out in later years by leading Americans, including Charles Evans Hughes, the present Chief Justice; Prof. Felix Frankfurter and Dean Harlan F. Stone, now on the Supreme Court; Senators Tom Walsh, Borah, and Norris; United States Circuit Judge George W. Anderson; and a number of law-school deans and professors.

The raids were investigated by a Senate committee, as well as by a Federal court, and evidence was presented of arrests without warrant, searches and seizures without warrant, sardinelike packing of hundreds of men for days under revolting conditions, as in the "black hole"' of Detroit, transportation of arrested persons on railroads and through city streets in chains, disregard of elementary decency in the treatment of women, some of them pregnant, and separation of families so that destitute dependents were unable to get help from breadwinners held incommunicado or "lost" in undisclosed places of detention.

Because some perhaps well-meaning but hysterical persons are again calling for raids and round-ups, it is interesting to read an account of what happened in 1920 as described by one of the country's foremost legal scholars, Prof. Zechariah Chafee, Jr., of Harvard University:

> The police dragged many men out of their homes in the dead of night. The aliens, none of them under any criminal charge and many of them held without warrants, were taken on trains and through the streets in handcuffs and chains. The prisoners were herded in vastly overcrowded quarters without sufficient clothing and food. For instance, the mayor of Detroit described as "intolerable in a civilized city" conditions in the police "bull pen," a room 24 by 30 feet, where over a hundred men were kept for a week. Bail was often fixed at very high amounts; for instance, $10,000, although $500 is the normal sum specified in the immigration rules. The men arrested were separated for days from their wives and children, who were left without support by the Government. Instead they were, Attorney General A. Mitchell Palmer assures us, "looked after by the most prominent charitable organization of their own creed in the locality. It is no part of the Attorney General's duty to look after the families of the violators of our law." The Supreme Court has repeatedly held that aliens held for expulsion are not criminials. This apology recalls the British General Dyer, the hero of Amritsar, who found shooting into a crowd a still more satisfactory way to get rid of sedition, and remarked that picking up the wounded was no business of his—that was the business of the hospitals.

Let me remind some Members of the Senate of what took place in 1920. During that period of hysteria it was the popular thing to make speeches from the public platform denouncing everybody with a German name, to talk about "fifth columns" or whatever they were called at that time, and to ask that laws be passed to put certain people in prison or in concentration camps. Many loyal, honest American citizens, some of our very finest and most patriotic citizens, indulged in that kind of speech and action. We had a Loyalty League and many similar organizations. Men sought and were elected to office on a platform of arousing hysteria against minority groups. But also let me call attention to the fact that these same men who sought to popularize themselves by besmirching the character of others, were forgotten after the hysteria was over. In many instances they became anathema in the communities in which they lived.

Now, once again, we witness a temporary hysteria, because of the use of "fifth column" tactics by Germany. I want to see our Government spend every single cent that is necessary to be spent for defense purposes; but I do not think we ought to be carried away by the hysteria which is now sweeping the country into vast expenditures of public money without giving serious thought and careful planning to the entire program.

Authoritative reports, some of them official, describe the conduct of the raids about which I have spoken, and show in detail that the victims were mainly persons who had committed no crime and had done no violence, and that the government police, under cover of dealing with aliens, accorded similar treatment to many citizens.

In the case of Colyer against Skeffington, which arose out of a 1920 raid, United States Circuit Court Judge George W.

Anderson indicated that the Department of Justice agents acted like a mob, made arrests without warrants, searched premises without warrants, seized papers unlawfully, held arrested persons incommunicado, questioned them without permitting them to have a lawyer, chained them, exposed them in chains before newspaper photographers, and used undercover informants to provoke action on the part of suspected persons. As part of many criticisms, Judge Anderson said:

I refrain from making any extended comment on the lawfulness of these proceedings by our supposedly law-enforcing officials. The documents and acts speak for themselves. It may, however, fitly be observed that a mob is a mob, whether made up of Government officials acting under instructions from the Department of Justice, or of criminals, loafers, and the vicious classes.

Mr. Moorfield Storey, for decades a leader of the Boston bar, and who is remembered wherever lawyers congregate, added his voice to that of those who came to look on the Government raids as a blot on American history. He said:

On a small scale a reign of terror was produced in which some thousands of innocent people were very cruelly treated and exposed to much suffering and loss. The statements in the newspapers were false and misleading. There was no conspiracy to overthrow this Government, and no evidence was ever produced which excused the action of the Government. The safeguards of the Constitution were ignored, and any true American must blush at what was done and at the indifference in which he and all but a handful of his countrymen tolerated it.

As a matter of fact, after the hysteria had passed, many good citizens who had been carried away by the hysteria blushed at what they had done. They were ashamed of it and apologized. We all remember that in the State of Wisconsin the then senior Senator from Wisconsin was hanged in effigy. We all know what happened to other Senators, including the distinguished Senator from Nebraska [Mr. NORRIS] because he voted against this country's entering the war. Those of us living in the Northwest know that a mob daubed yellow paint on the home of a Member of the United States Senate. I am calling attention to these matters now because all over this country, wherever I go, I can see the same hysteria being aroused again. I think it has been aroused partly, if I may say so, by some of the speeches which have been made by officials in Washington, which have frightened many of our people.

Another and still more celebrated Bostonian, Mr. Justice Holmes, habitually refused to mete out one sort of justice for citizens and another for noncitizens. He clearly saw the danger of penalizing aliens for holding unpopular opinions. This is what he said in the Schwimmer case:

Some of the applicant's answers might excite popular prejudice, but if there is any principle of the Constitution that more imperatively calls for attachment than any other it is the principle of free thought—not free thought for those who agree with us but freedom for the thought that we hate. I think that we should adhere to that principle with regard to admission into, as well as life within, this country. And recurring to the opinion that bars this applicant's way, I would suggest that Quakers have done their share to make the country what it is, that many citizens agree with the applicant's belief, and that I had not supposed hitherto that we regretted our inability to expel them because they believe more than some of us do in the teachings of the Sermon on the Mount.

This morning representatives of the National Broadcasting Co. and the Columbia Broadcasting Co., and the head of the organization of all the broadcasters, called at my office. They called my attention to the following statement which they had issued:

NEW YORK, N. Y., *May 30, 1940.*

GILLIS, RADIO STATION WJSV,
Washington, D. C.:

The Columbia Broadcasting System, in response to several inquiries concerning Earl Browder's talk Sunday night, issued the following statement: The radio law requires broadcasters to give the same treatment to all candidates for any public office. In compliance with this law we have arranged to carry on Sunday evening June 2, a 15-minute talk by Earl Browder on the Communist Party's representation that, at that time he will be the duly nominated candidate for the Presidency. It is obvious that when the Congress enacted the communications law, present conditions and their dangers were not apparent. Columbia is of course obedient to the laws of the United States but it is of the belief that the communications law should be changed so that no broadcaster is compelled to give time to the candidates of any political party if it is proven to be subservient to a foreign power.

In this connection I call attention to the statute. When we passed the communications law some years ago it contained this provision:

SEC. 315. If any licensee shall permit any person who is a legally qualified candidate for any public office to use a broadcasting station, he shall afford equal opportunities to all other such candidates for that office in the use of such broadcasting station, and the Commission shall make rules and regulations to carry this provision into effect: *Provided*, That such licensee shall have no power of censorship over the material broadcast under the provisions of this section. No obligation is hereby imposed upon any licensee to allow the use of its station by any such candidate.

The present law was drafted, not in a Democratic administration, but in a Republican administration, to preserve the right of free speech in the United States, and to see to it that each candidate for public office shall have the right to express his views, whether we agree with them or not, and I certainly do not agree with Mr. Browder, the Communist Party, or their theory of government. I think that the law probably should be changed, because of the fact that it perhaps goes too far in one respect as the Commission has interpreted it. Today a broadcaster is liable in damages if the speech contains libelous matter. Either the broadcaster should be relieved of liability or libelous matters should not be permitted.

The eminent members of the bar who prepared a searching report on the 1920 episodes included such men as Professor—now Justice—Frankfurter, Dean Roscoe Pound, Professor Chafee, Jr., Frank P. Walsh, and Francis Fisher Kane. Mr. Kane had resigned his post, after having been United States attorney for 6 years, because he could not stomach what the Department of Justice was doing in deportation proceedings. This report, which appeared prior to the congressional investigation, sharply condemned the raids of the Department of Justice. I read a portion of it:

For more than 6 months we, the undersigned lawyers, whose sworn duty it is to uphold the Constitution and laws of the United States, have seen with growing apprehension the continued violation of that Constitution and breaking of those laws by the Department of Justice and the United States Government. * * * We are concerned solely with bringing to the attention of the American people the utterly illegal acts which have been committed by those charged with the highest duty of enforcing the laws—acts which have caused widespread suffering and unrest, have struck at the foundation of American free institutions, and have brought the name of our country into disrepute. These acts may be grouped under the following heads: (1) Cruel and unusual punishments; (2) Arrests without warrant; (3) Unreasonable searches and seizures; (4) Provocative agents; (5) Compelling persons to be witnesses against themselves; (6) Propaganda by the Department of Justice.

Since these illegal acts have been committed by the highest legal powers in the United States, there is no final appeal from them except to the conscience and condemnation of the American people. American institutions have not in fact been protected by the Attorney General's ruthless suppression. On the contrary, those institutions have been seriously undermined, and revolutionary unrest has been vastly intensified. No organizations of radicals acting through propaganda over the last 6 months could have created as much revolutionary sentiment in America as has been created by the acts of the Department of Justice itself.

Even were one to admit that there existed any serious "red menace" before the Attorney General started his "unflinching war" against it, his campaign has been singularly fruitless. Out of the many thousands suspected by the Attorney General (he had already listed 60,000 by name and history on November 14, 1919, aliens and citizens) what do the figures show of net results? Prior to January 1, 1920, there were actually deported 263 persons. Since January 1 there have been actually deported 18 persons. * * *

It has always been the proud boast of America that this is a government of laws and not of men. Our Constitution and laws have been based on the simple elements of human nature. Freemen cannot be driven and repressed; they must be led. Freemen respect justice and follow truth, but arbitrary power they will oppose until the end of time. There is no danger of revolution so great as that created by suppression, by ruthlessness, and by deliberate violation of the simple rules of American law and American decency.

It is a fallacy to suppose that, any more than in the past, any servant of the people can safely arrogate to himself unlimited

authority. To proceed upon such a supposition is to deny the fundamental American theory of the consent of the governed. Here is no question of a vague and threatened menace, but a present assault upon the most sacred principles of our constitutional liberty.

It is difficult to believe or to realize, looking back to those days, the extent of the hysteria and terror engendered by the oppressive and fear-provoking methods used in the Department of Justice raids of the early 20's. Katharine Fullerton Gerould, writing in Harper's magazine in 1922, paints the following picture of despair:

America is no longer a free country, in the old sense; and liberty is, increasingly, a mere rhetorical figure * * * No thinking citizen, I venture to say, can express in freedom more than a part of his honest convictions. I do not, of course, refer to convictions that are frankly criminal. I do mean that everywhere, on every hand, free speech is choked off in one direction or another. The only way in which an American citizen who is really interested in all the social and political problems of his country can preserve any freedom of expression is to choose the mob that is most sympathetic to him, and abide under the shadow of that mob.

I have already quoted from an address by the Honorable Charles Evans Hughes in which he was caused by the post-war abuses of civil liberty to wonder if constitutional government could survive in this country if we were to engage in another great war. Because it is pertinent both to the 1920 raids and to pre-war, as well as post-war abuses of police power, I should like to read what Chief Justice Hughes said then:

Finding the intricacies of modern life too much for clearly expressed law, we have formed the habit of turning the whole business over to bureau chiefs, who with the opportunity to create manifold restrictions and annoyances, hold the power of life and death over enterprise and reputation. This has seemed to be a comfortable way of dealing with evils, and the mischief it has been breeding has received scant attention. We went to war for liberty and democracy, with the result that we fed the autocratic appetite. And, through a fiction, permissible only because the courts cannot know what everyone else knows, we have seen the war powers, which are essential to the preservation of the Nation in the time of war, exercised broadly after the military exigency had passed and in conditions for which they were never intended, and we may well wonder in view of the precedents now established whether constitutional government as heretofore maintained in this Republic could survive another great war even victoriously waged.

Apart from these conditions, we cannot afford to ignore the indications that, perhaps to an extent unparalleled in our history, the essentials of liberty are being disregarded. Very recently information has been laid by responsible citizens at the bar of public opinion of violations of personal rights which savor of the worst practices of tyranny. And in the conduct of trials before the courts we find a growing tendency on the part of prosecutors to resort to grossly unfair practices.

In 1921 the Honorable Harlan Fiske Stone, then dean of the Columbia University Law School, prepared a statement on repressive practices during the 1920 raids against aliens and others. This statement was submitted to a subcommittee of the Senate Judiciary Committee investigating charges of illegal practices of the Department of Justice pursuant to a resolution introduced by Senator Thomas J. Walsh. I quote:

It appears from the reported decisions of Federal courts that in deportation proceedings taken by the Department of Justice under direction of the Attorney General, aliens have been deprived of such constitutional guaranties.

It also appears that the agents of the Department of Justice, in violation of the express provisions of the statute, have arrested aliens in deportation cases without warrant. These undisputed facts would of themselves seem to require a thoroughgoing investigation of the conduct of the Department of Justice in connection with the deportation cases. * * * It is therefore very much to be hoped that any such investigation will not only reveal fully the facts with respect to the violation of constitutional safeguards and statutes by the agents of the Department of Justice in the administration of the deportation laws, but that such investigation will result in legislation more adequately protecting aliens or those alleged to be aliens, but who may be citizens of the United States, from the arbitrary exercise of power by administrative officers.

It is inevitable that any system which confers upon administrative officers power to restrain the liberty of individuals without safeguards substantially like those which exist in criminal cases, and the action of such administrative officers will result in abuse of power and intolerable injustice and cruelty to individuals.

Two years later, on February 5, 1923, Senator Tom Walsh submitted to the Senate a report based upon investigations by the subcommittee, and concurred in by Senators Borah, Norris, Ashurst, and Walsh. The full committee resolved that it would not report to the Senate on the subject. Senator Walsh's report is a remarkable indictment. Again I quote:

More serious are the accusations touching the general character and conduct of the so-called raids through which most of the arrests were made, of usurpation by the Department of Justice in connection with the same, and of flagrant disregard of the constitutional rights of those against whom they were directed.

* * * * * * *

Of the anxieties aroused in the families of those arrested, of the eager search of wives for unreturning husbands, of their pilgrimage from one place of concentration to another in their quest, hoping perhaps that no worse fate had befallen their loved ones than that they had been caught in the raids, of the distress occasioned and the want induced by the incarceration of the breadwinners of so many households, it is unnecessary that the hearings should tell, as they do. Such incidents and conditions were miserable concomitants of the proceedings.

This aspect of the affair never seems to have addressed itself to the conscience or the heart of the Attorney General. He coolly declared that it was no part of the business of the Department of Justice to look after the families of those who commit crimes or render themselves subject to arrest. But he overlooks the fact that none of those whose arrest he authorized were proceeded against upon any theory that they had committed any crime; that many of them, because of their citizenship or because they were obviously innocent, if aliens, would be entitled to their discharge without delay and that delay must necessarily ensue, considering the number to be taken, and that even among those held a large number would eventually be released for want of evidence to justify deportation or because their innocence was established. It seems quite likely from the meager records kept that at least one-half of those taken were discharged upon the preliminary inquiry.

* * * * * * *

Many of those arrested were householders, and not a few had accumulated considerable property. Instances were not rare in which the victims were the fathers of families, including a number of children born in America, while, sad to relate, not a few had enviable war records, having served in the grand army of that country whose Government they were accused of proposing to overthrow by force and violence. (See hearings, pp. 313–380.) For, be it remembered, these things were not done during the war, when official acts questionable in character at other times might be held excusable if not justifiable or defensible. A year and more had elapsed since the armistice at the time of these raids. Among those taken were skilled mechanics. Altogether, save for the class first named, they were the raw material out of which the American public school has made and will make in the first generation native to our soil our sturdiest manhood and the peers in devotion to this country and its ideals of any of its citizens.

* * * * * * *

* * * The wise men who framed our Constitution and who had some experience with arbitrary government were convinced that such means were inconsistent with the spirit of liberty, and on the whole subversive of justice. They believed in the doctrine that "every man's house is his castle," and determined to make the law of the Republic they were establishing at least as liberal as that of the parent country, because of the protection which the most eloquent orator of the day said:

"The poorest man may, in his cottage, bid defiance to all the forces of the Crown. It may be frail; its roof may shake; the wind may blow through it; the storm may enter; the rain may enter; but the King of England may not enter; all his force dares not cross the threshold of the ruined tenement."

Those who conceived the procedure here criticized were oblivious of the letter and wholly unappreciative of the spirit of the Bill of Rights. It should be said, for what extenuation there may be in it, that the practice of making such unlawful searches and seizures is not without precedent in the department. It is an abuse of modern growth which repeated condemnation by the Supreme Court has been ineffective to stay (*Silverthorne* v. *United States,* 251 U. S. 385; *Weeks* v. *United States,* 232 U. S. 383).

One of the reports on the Justice Department proceedings of 1920 was prepared by a minister of the Methodist Episcopal Church who was a student of immigration problems, and was published for the Federal Council of the Churches of Christ in America. In part, the report said:

We have found that these aliens were the common run of work folk—storekeepers, shopworkers, shoemakers, carpenters, mechanics, unskilled laborers, and the like. * * * They had resided in this country for a comparatively long period. Over half of them had families, most of whom were living in the United States, and included American-born children. The large majority had a little knowledge of English, and many of them had made application for American citizenship papers. A few had served in the United States military forces, and most of them had purchased bonds or in other ways taken part in wartime activities.

We find that they were arrested mostly in groups while attending meetings in public halls. In not a few cases there were no

warrants of arrest until long after the apprehension. At the police stations or other places of detention, a number of the aliens appear to have been forced to sign statements which were later introduced as evidence against them. It is also clear that at first they were not permitted to see their relatives or friends. Some evidently received cruel and abusive treatment at the time of arrest and during the period of detention.

A trial was in some cases not given them until weeks after they were imprisoned. Even at best, their trial was, as provided by law, only an administrative hearing. In this proceeding the immigrant inspector, who was usually a man untrained in law and often without even an academic training, acted as prosecutor, judge, and jury at the same time. Interpreters were often necessary because the aliens' knowledge of English was so imperfect. In some instances the very man who originally had caused the arrest of the alien acted as interpreter at the hearing. Frequently the accused was not informed of his right to counsel, and when he was so informed it was done after the representatives of the Government had extracted from him, sometimes by inquisitorial methods, all the admissions they desired.

The simplicity of their testimonies, their obvious sincerity, their straightforwardness, testify to the fact that the majority of the persons involved in this study were simple-minded folk who entertained no purpose hostile to the American Government or the American people.

Some of these aliens were held for a considerable period, which was virtually equivalent to an indeterminate sentence. A number were detained for weeks after they had been ordered released. In the meantime their families had been left without a means of support. As a consequence of all this a volume of prejudice and suspicion has been produced among immigrant groups, which it will require perhaps years to allay. It is impossible to know how much of the hostility now being reported on the part of foreign countries against America is due to the impressions made upon the nationals of other countries who have resided in the United States. It is difficult to avoid the conclusion that, with the exception of the comparatively few persons who were clearly deportable under the law, these aliens needed not legal but social and educational treatment looking toward an effectual interpretation to them of the best ideals of American life.

Writing in 1937, Attorney General Cummings and Assistant Attorney General McFarland referred to the post-war activities of the F. B. I., showing, as did the Walsh report, that there was but a slim line dividing those activities from activities against labor unions. They said:

To many this was a sordid period, echoes of which are still heard upon occasion.

There can be no question but that these raids were indeed sordid. They led to the establishment of a powerful secret police system whose capacity for and habits of lawless behavior knew no bounds. I, for one, have not forgotten the investigation of the F. B. I. in 1924, in which I brought out that an agent of that Bureau had sought to rifle the offices of the elder Senator La Follette. Likewise, during that investigation they rifled my office, as I stated on yesterday.

The Department of Justice agents went from aliens to labor unions, and from labor unions to Senators. Had not Attorney General Stone brought such practices to a stop, there is no telling how far matters might have gone. Apparently, even Presidential candidates were not safe from the spying of this police bureau which had got its start in spying on and raiding aliens.

In 1933 Ray Tucker wrote in Collier's magazine:

Ex-President Hoover was shadowed for a long period in the early twenties when William J. Burns was head of the Bureau and J. Edgar Hoover was his assistant. * * * At one time or another the Bureau's files have contained reports on such prominent Americans as Justice Harlan Fiske Stone, the late Senator Thomas J. Walsh, Senator Burton K. Wheeler, Senator William E. Borah, Dean Roscoe Pound, Prof. Felix Frankfurter, Prof. Zechariah Chafee, Jr., Frank P. Walsh, and John L. Lewis.

Tolerance, civil liberties, and a calm, reasoned approach to the pressing problems of the day could not long withstand a resumption of this earlier activity against the foreign-born, labor unions, and Members of Congress, with all its atmosphere of hysteria, hatred, rank illegalities, the pitting of man against man and group against group, with resulting dissension, and perhaps the ultimate destruction of liberty in the United States. To repeat anything remotely approaching the conduct of 1920 in the hope of turning up spies or protecting the country against foreign agents would be the most disastrous folly, as well as an exercise in futile brutality. I have said that if there are spies and traitors and foreign agents going about their poisonous work in our country I am all for catching them as promptly and as efficiently as possible. It would certainly be criminal to delay while any remain uncaught. But spy hunts provide no excuse for raising a hue and cry against any minority group which may come more readily to hand. Spies go about their business quietly, and with stealth and cunning. It seems obvious that methods to catch spies must be tempered with some of the same tactics that spies use to evade capture. The excitement and furor that would be created by any mass roundups, or by sensational methods directed against those who for the most part are innocent, law-abiding, and valuable residents of our country, would only furnish a cloak to cover up any failure to perform properly the job of apprehending spies and violators of various defense statutes.

Our country cannot possibly be endangered by any opinion, expressed or unexpressed, by citizen or noncitizen. We cannot and have not ever legislated against the holding of opinions, for our Government rests on a sound foundation of freedom of speech and thought. This is taught every school child in every schoolroom in America. This has also been affirmed from time to time in opinions of the Supreme Court, although it has probably never been better stated than by Justice Brandeis in Whitney against California. Justice Brandeis said:

Those who won our independence believed that the final end of the state was to make men free to develop their faculties; and that in its government the deliberative forces should prevail over the arbitrary. They valued liberty both as an end and as a means. They believed liberty to be the secret of happiness and courage to be the secret of liberty.

They believed that freedom to think as you will and to speak as you think are means indispensable to the discovery and spread of political truth; that without free speech and assembly discussion would be futile; that with them discussion affords ordinarily adequate protection against the dissemination of noxious doctrine; that the greatest menace to freedom is an inert people; that public discussion is a political duty; and that this should be a fundamental principle of the American Government. They recognized the risks to which all human institutions are subject. But they knew that order cannot be secured merely through fear of punishment for its infraction; that it is hazardous to discourage thought, hope, and imagination; that fear breeds repression; that repression breeds hate; that hate menaces stable government; that the path to safety lies in the opportunity to discuss freely supposed grievances and proposed remedies; and that the fitting remedy for evil counsels is good ones. Believing in the power of reason as applied through public discussion, they eschewed silence coerced by law—the argument of force in its worst form. Recognizing the occasional tyrannies of governing majorities, they amended the Constitution so that free speech and assembly should be guaranteed.

Justice Brandeis pointed to the necessity of having the right of free speech preserved if we are to spread political truths and he referred to public discussion as a duty. His opinion was written some 13 years ago. Only last week, however, a portion of the leading editorial in the issue of the New York Times for May 27 applies the same thought to problems of national defense:

But even if the minority made very severe criticism of the state of our defenses or of the future defense plans of the administration, the net effect would more likely be good than bad. For no criticism that a political minority at home can make, as the British and French are now learning at a frightful cost, can approach the terrific criticism of a foreign enemy—the devastating criticism of his guns and tanks and planes. The British and French publics today certainly wish that the alarming admissions which their Governments have made to them in the last few days had been made many months ago, when there was more time to correct them. Even violent critics of the state of the Allies' preparations, it is now seen, would have been performing a patriotic service. We need to know of any weaknesses in our armament before an enemy finds them out; and these weaknesses can often best be found by candid outsiders who have not been responsible for them.

There is an erroneous assumption, widely held, both here and in Europe, that public discussion indicates discord or absence of unity. This belief is far from the truth. Even in dictatorships, as is well known, opinion is not on a dead level of uniformity. Judgments vary, policies differ between statesman and statesman, general and general. The fact that in dictatorships differences are usually concealed does not hide their existence. It is possible that the fact that differences of opinion cannot be expressed openly and

promptly in dictatorships may lead to serious missteps which will eventually bring about the dictators' downfall. In democracies the will of the people is much more slowly evolved, because it takes time to debate thoroughly all aspects of a problem. Yet, when everyone has had his say and the debate is closed, and the will of the majority prevails, a true national unity is possible in a democracy, because the people and the government are one. The free expression of opinion plays a healthy and indispensable part in the formation of all our governmental policies. The recent vote in the Senate on the President's request for defense appropriations shows that there is unity on the part of the people in this country on the subject of national defense. While there is unity in Congress between Democrats and Republicans, we should be careful about charging ulterior motives to anyone who may disagree with us.

By tradition, the Constitution, and the laws of the land we enjoy rights and liberties which are all-important to most of us. It would be mockery to talk about national defense if we were to do anything which would deprive us of our greatest assets. There will be nothing left to fight for when there are no liberties left to defend.

Mr. President, I am glad to find so many Members of the Senate who are not being carried away by the hysteria apparent throughout the country. I do beseech the Members of the Senate and of the Congress, no matter what the turn of the war in Europe may be, to be calm, to remain cool, to keep their feet on the ground, and not be carried away by any demand for the suppression of free speech or of any of the fundamental rights and democratic processes in the United States.

EXPANSION OF NATIONAL DEFENSE PROGRAM (H. DOC. NO. 799)

The PRESIDING OFFICER (Mr. CHANDLER in the chair) laid before the Senate the following message from the President of the United States, which was read and referred to the Committee on Military Affairs:

To the Congress of the United States:

The almost incredible events of the past 2 weeks in the European conflict, particularly as a result of the use of aviation and mechanized equipment, together with the possible consequences of further developments, necessitate another enlargement of our military program.

No individual, no group, can clearly foretell the future. As long, however, as a possibility exists that not one continent or two continents, but all continents may become involved in a world-wide war, reasonable precaution demands that American defense be made more certain.

An investigation into manufacturing resources since my message of May 16 to determine the practicability of placing additional orders with industry for special material, both to provide an early expansion of existing production facilities, and to obtain increased quantities of the special weapons concerned, has caused the War and Navy Departments to submit to me an urgent and new recommendation that increased appropriations and authorizations for the national defense be made before the adjournment of the present Congress.

Over and beyond the acquisition of this actual material is the evident requirement for the immediate creation of additional production facilities to meet possible future emergencies as well as present deficiencies in the making of munitions, such as guns, ammunition, and fire-control equipment. These facilities require a long time to create and to reach quantity production. The increased gravity of the situation indicates that action should be taken without delay.

The problem of defending our national institutions and territorial integrity is no longer a problem for men equipped simply with an indomitable determination. Modern defense requires that this determination be supported by the highly developed machinery of our industrial productive capacity.

The expansion of our defense program makes it necessary that we undertake immediately the training and retraining of our people, and especially our young people, for employment in industry and in service in the Army and Navy.

The requirements of industry and the expanded armed forces for persons with experience in mechanical and manual fields are obviously going to be great. We do not have such trained persons in the number that will be required for the tasks that lie ahead of us if our defense is to be assured. We have, therefore, the task of training a large number in the skills and semiskills required by modern production in industry and by a highly mechanized defense force in the Army and Navy. A primary consideration in the training of skills must be not the existing distribution of workers among skilled fields but the distribution that would be required if our industrial machine and our defensive forces were fully mobilized.

In the national effort for defense upon which we are now engaged, it is imperative that we make full and effective use of the mighty capacities that lie in our population. Here as yet undeveloped lie the ability and the strength needed in the building up of our armaments to provide a sure industrial foundation for the meeting of any and all defense requirements. Without the full development of these skills, our national defense will be less than it must be in the critical days which lie ahead. Without the full contribution of our people, our defense cannot attain the invulnerability which the Nation demands and which we are determined it shall have.

The one most obvious lesson of the present war in Europe is the value of the factor of speed. There is definite danger in waiting to order the complete equipping and training of armies after a war begins.

Therefore, I suggest the speedy enlargement of the program for equipping and training in the light of our defense needs.

I have instructed the representatives of the War and Navy Departments and also the representatives of the several agencies dealing with the training of young men for noncombatant services to make available to the appropriate committees of the Congress the plans and proposals which they have laid before me.

These plans call for immediate appropriations to carry forward congressional decisions in bills already pending, for immediate appropriations to add to the program and for authorizations to enter into contracts which it will take some time to complete.

There is a specific recommendation I would make in concluding this message, that before adjournment this Congress grant me the authority to call into active service such portion of the National Guard as may be deemed necessary to maintain our position of neutrality and to safeguard the national defense, this to include authority to call into active service the necessary Reserve personnel.

The amounts involved are large—over a billion dollars—but I believe that for national safety the needs are urgent.

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE, *May 31, 1940.*

REORGANIZATION PLAN NO. V

The Senate resumed the consideration of the joint resolution (H. J. Res. 551) providing for the taking effect of Reorganization Plan No. V.

Mr. WILEY. Mr. President, after listening to the reading of the message from the President I feel that I can concur fully with the statement of the distinguished Senator from Michigan [Mr. VANDENBERG] when he said that he felt that Congress should remain in session.

Mr. President, I rise to speak to the House Joint Resolution 551 now before the Senate, but before I do so I wish to compliment the distinguished Senator from Montana [Mr. WHEELER] for his very wonderful speech in the Senate today. I wish all the people of the United States could have heard his speech, because I personally felt it would have done everyone a great deal of good.

It is not by fear or hysteria that a nation equips itself for any emergency. Not by fear or hysteria have the group of Englishmen and Frenchmen and Belgians just fought one of the most remarkable retreats in history.

in government. The labor racketeer has done more damage to labor's cause than has any other force.

Ninth. There is another group which consists of men in all stations of life who let indifference, inaction, lethargy, smugness, and complacency dictate their course. That is the group to which I want to speak. The President, in his message, apparently has gone to the other extreme; but we cannot permit any feeling that hysteria is sweeping us away to cause us to take some counteraction, so that we shall become so smug and complacent that we cannot handle the situation. They are the men who will not meet the issue. They put off, and keep on putting off, the problems they should solve today.

Mr. President, I have not agreed with the President in many of his recommendations to the Congress; but when the Commander in Chief of the Army and Navy tells me that he would like to switch the Immigration Bureau—apparently for the period of the crisis—he knowing what he knows because he is President and Commander in Chief, I believe I should vote to grant his request unless someone can show a valid reason why it should not be done.

I ask the Senate, Has any valid reason been suggested? The only reason that has been suggested is hysteria itself, in that it is claimed that back in 1920 to 1921 or 1922, when Mr. Hoover was not in the F. B. I., certain injustices were perpetrated upon some 2,000 persons in this country. That is the reason which is given for our dulling the only sword we have in America to handle the situation as it is. An attack on the F. B. I. based upon two or three isolated instances in which the F. B. I. acted under Federal warrants is no justification for turning down the request of the Executive.

A mistake was made in the Nebraska Carlson case. Mr. Carlson had a right to sue for false imprisonment and get damages, and if he could not collect damages from the operative, he had a right to come before the Claims Committee of the Senate for retribution, if he was damaged. But that is no reason for denouncing this man who has eradicated great sinners against the civil liberty that has been so much talked of by the Senator from Montana; this man who has made civil liberty in the United States a reality. That is what Hoover has done. I ask, What were our civil liberties worth before the racketeer was disposed of; before the kidnaper was disposed of?

But we must go back to the real issue. The President wants this transfer; but the distinguished Senator from Montana [Mr. WHEELER] rises and tells about how, years ago, his personal rights were invaded, and therefore he does not want the Department of Justice to look after this phase of the national defense. That is what the Senator from Montana did the other day. Everyone would condemn that sort of thing. It has no place in our American life; but we are not talking about that. We are talking about something more precious than the injuries of yesterday. We are talking about this America of ours, which must have something virile in her being; this America, which must have power also to strike down the aggressor; which must have the power necessary to protect your civil liberties and mine.

There has been too much delay already in this country. There has been an absolute falling asleep in the face of the realities.

I feel that this Nation has no place in the present conflict in Europe. We could not help if we wanted to. We are unprepared. We could not send our boys overseas with peashooters. We have no army, no air force. The Allies do not need credit. They have plenty to buy with for the present, and any talk of repealing the Johnson Act is nonsense.

Our unpreparedness makes us unable to help if we wanted to; but I believe that the American people, as shown by the polls, do not want America to become involved in the conflict overseas; but they do want America prepared to meet any emergency. The American people are waking to the fact that America may be the next nation to be attacked. We must prepare. We must arm; and, Mr. President, one of the ways to prepare and to arm, as suggested by the Senator from Montana, is not to lose our heads, not to become hysterical, but to be steady. Anyone who has eyes with which to see knows that in this land of ours there are destructive forces. The President apparently has deliberated on this subject for some time. He had the advice of those who claim to know before he made this recommendation.

He feels that in the preparedness program the Department of Justice, during this period of conflict abroad, should take over this matter. If the Justice Department needs the assistance of the F. B. I., it should have such assistance. Already the saboteurs are starting their work. Three of the great airplane manufacturers reported that fact yesterday. Today's newspapers bring out the significant fact that in the shipyards in New Jersey, where labor unions have struck for a 10 cent an hour increase, there are two destroyers and two cruisers under construction.

Mr. President, there was once a gentleman from Massachusetts who said that policemen had no right to strike, and he told why. I introduced into the RECORD the other day an article from a newspaper showing there had been over 1,000 strikes of public employees. I am not in favor of Congress adjourning now. We have too much to do, and one of the problems we have to face, and face head-on, is the right of labor to strike when it is employed in a great national defense program—when the Nation's house itself is in danger.

I make these remarks as a friend of labor. I spoke a few days ago as a friend of labor in relation to the so-called La Follette civil liberties bill. Up to the time I spoke in the Senate on that measure I had received no communications from any labor group, thus indicating that they had no knowledge of the bill. Since that time I have received telegrams from three or four different unions asking me to support the bill, but not telling me why.

I believe, Mr. President, there is more than an ounce of truth in Rauschnig's books. I believe that if England and France should go under, we need a united front in America. We cannot obtain such a front by having "special pleaders" in the Congress. The welfare of the Nation demands the united effort of all classes.

What would be thought of the soldier who, just before the battle to protect home and country, laid down his arms? What would be thought of the fireman who, after the fire had started, refused to devote himself to extinguishing the fire? What would be thought of the farmers of this Nation if they should refuse to plant and cultivate, though they have the best reason in the world to do so? They have no 40-hour weeks.

After listening to the President's message a few moments ago, we know that we have to be straight in our thinking, and we cannot be wishy-washy in our attitude. We are planning now to tax the people as they have never before been taxed. We are asking them to pay. We are asking the youth of the Nation to become pilots and soldiers. We are asking the farmers to produce not only what we ourselves need but for the benighted people of Europe as well; and so we are asking all those who labor to take the oar and pull as they never pulled before, and for the period of the crisis to refrain from all strikes—to make themselves immune against the attacks of any "fifth columnists."

If I had a voice in the councils of labor, I would say, "If you want to make yourself solid, issue a manifesto to the people of the United States to the effect that during this period you will not walk out on your jobs—that you will pull an oar in the boat with all the rest of our fellow citizens."

We are all in the same boat with the other nations. Just as labor in England said, we know what we have to do. They are dying in defense of country, and they are not working merely 40 hours a week, but are working the week around; and if the crisis is nearly so serious as it appears to be from the President's message, there is but one answer to the problem—get away from self-seeking groups; be men who represent the Nation and not merely some special interests.

I realize that much I have said may not seem pertinent to the joint resolution under discussion, yet to me it is relevant. We need unity of action, of effort, of mind and soul, to

Iowa, where Mrs. Abraham, upon seeing him, stated that he was not the impersonator.

Investigation, consequently, was continued, and later, in October 1939, the impersonator, Carl John Carlson, was located, identified, entered a plea of guilty at Sioux City, Iowa, and was sentenced to serve 90 days in jail.

In reviewing this matter to determine why the Bureau agents received erroneous information from the Superintendent of Mails at Sioux City, Iowa, it was determined that although the Bureau agent requested the forwarding address of Carl J. Carlson, who formerly resided at 1018 Pierce Street, Sioux City, Iowa, the Superintendent of Mails had furnished the forwarding address of one Carl J. Carlson, who had previously received mail at General Delivery, Sioux City, and who had requested a change of address from General Delivery, Sioux City, Iowa, to Box 64, Fremont, Nebr.

Mr. WILEY. Mr. President, I do not want to follow in the footsteps of my distinguished colleague and make a mountain out of this molehill. My only purpose in rising at this time, as I have said, is to see to it, so far as I can, that a great constructive weapon for the defense of the United States is not blunted. Under the rule in every State in the Union the prosecuting attorney is supposed to represent not only the people, but also the defendant. It is significant that certain persons who are currently attacking Mr. Hoover, Director of the Federal Bureau of Investigation, with respect to certain alleged activities upon his part during 1919 and 1920, which we heard described on the floor of the Senate, do not bring out the basic facts. It is significant also that they remained silent during the dark days when our citizens were menaced by an overwhelming wave of kidnaping, extortion plots, country-wide bank robberies, and practically unchecked lawlessness throughout the country. That is not to be considered. If J. Edgar Hoover is unfit to head the Federal Bureau of Investigation today, then he was unfit to head the Federal Bureau of Investigation in those days, when fathers and mothers looked to him for the protection of their homes and their loved ones.

It is true that J. Edgar Hoover, as an official of the Department of Justice, played a prominent part in the deportation of the late Emma Goldman, anarchist, in 1919. Is he to be condemned for that?

It is true that J. Edgar Hoover was largely responsible for the deportation of Alexander Bergmann, anarchist. Is Mr. Hoover to be condemned for that?

It is true that J. Edgar Hoover was largely responsible for the return to Russia in 1920 of Ludwig C. A. K. Martens, who claimed to be the representative of Soviet Russia in the United States. Is he to be condemned for that?

It is true that J. Edgar Hoover took an active part in combating widespread anarchistic and communistic activities during that period. Is he to be condemned for that?

In view of the facts which have been injected into the RECORD today, I wish to call attention to a significant situation: During the time of the so-called Palmer raids in 1920, upon which the Senator from Nebraska [Mr. NORRIS] has dwelt for two and a half hours, J. Edgar Hoover was not in the F. B. I. He was a special assistant to the Attorney General; and the evidence put into the RECORD today shows that he had nothing to do with those raids, which none of us approves. The Attorney General said—and the record is plain and undisputed—that he told the agents to report the evidence to his assistant. J. Edgar Hoover was not a member of the Federal Bureau of Investigation at that time. He was charged with the handling of prosecutions, just as the distinguished Senator from Montana [Mr. WHEELER] was charged with handling prosecutions when he was acting as a prosecuting attorney. He was charged with the handling of prosecutions following the obtaining of evidence and the arrest of persons whose activities were deemed by the Department of Justice to be in violation of certain laws and statutes. The arrests and the obtaining of the evidence in those cases were directed by and were under the immediate supervision of the then Director of the Federal Bureau of Investigation, William J. Flynn. I want the country to know that Mr. Hoover was not in the F. B. I. in those years. He was an assistant attorney, serving the Government of the United States.

The other day the Senator from South Carolina [Mr. BYRNES] rose and stated that he was informed that the Department of Justice does not propose to place the Bureau of Immigration under the F. B. I.; and the Senate and the country were so informed.

But that was not sufficient to stop the condemnation of the F. B. I. The story had to go on. The reason for the transfer, and the fact that the Commander in Chief in an emergency requested it, made no difference. The one-act drama, the attack on the F. B. I., had to continue.

Mr. President, I would not speak at all on this subject but for this situation which everyone but the Senator from Nebraska seems to be aware of. I know the eminent position of the distinguished Senator from Nebraska. I know the valiant services he has rendered the country. I do not impugn his motives; but I do question his judgment in this matter. I honor him for bringing before the public his yesterdays; but more than 23 years have gone over the dam since then, and the world has changed much. Then they had no "blitzkrieg" methods. Then the technique of the "fifth column" was unknown. Then the neutrality of nations was respected. Then the new paganism had not even reached its embryonic stage. Then Hitler and Stalin and Mussolini were not even in sight. Then the parachutist, the 90-ton tank, the "blitzkrieg" airplane, were unheard of. Now, Mr. President, we have all these; and, what is more, we have since that time experienced the great depression and the great recession; and, what is more, an infiltration of what has been termed the "fifth column" from overseas; but I want to enumerate a few more "fifth columns" that have helped to demoralize this America of ours.

First. The group of aliens or citizens who live in this country and who are not devoting themselves 100 percent loyally to America. Some of these folks belong to organizations that have taproots in the various capitals of Europe. The members of this group think more about the welfare of other nations than about the welfare of America. America needs, as I have said, 100-percent loyalty.

Second. The second group I call the "parlor pinks" and the internationalists who have found it convenient to hobnob with the communistic group with headquarters in Russia. Some folks high up in Government have been associating with this group.

Third. The third group consists of certain public officials whose laxity has permitted disciples of communism, nazi-ism, and fascism to come to America and teach their doctrines, not only in various labor and social groups but in our colleges.

Fourth. The fourth group consists of pseudo intellectuals who have been guilty of causing a patriotic erosion in our youth. We find many of these in our educational centers. For years they have talked America down and never talked her up, but they themselves are always ready to live on the fat of America.

Fifth. Another group is the defeatist group. We find them everywhere. Locking at the situation, they can see no hope, economically or politically, for America. They see our unpreparedness, and, through their defeatist attitude, slow up every constructive activity. They are a factor which must be reckoned with in our present situation.

Sixth. Another group we must eradicate is the so-called Fascist or Nazi group—not the foreigners, but the same group in this country that are referred to in the case of Europe by the distinguished Senator from Montana; the same group that handed Germany over to Hitler. They are always damning the democratic processes. They do not know it, most of them, but they have become inoculated with insidious suggestions from the "fifth columnists" who are tools of some overseas government.

Seventh. The next group consists of Government agencies which, through scatterbrained administrators, have hamstrung business and harassed business with unnecessary rules and regulations, have sabotaged industry, initiative, and invention.

Eighth. The next group is that of the racketeer. We find him in many phases of our life—in business, in labor, and

in government. The labor racketeer has done more damage to labor's cause than has any other force.

Ninth. There is another group which consists of men in all stations of life who let indifference, inaction, lethargy, smugness, and complacency dictate their course. That is the group to which I want to speak. The President, in his message, apparently has gone to the other extreme; but we cannot permit any feeling that hysteria is sweeping us away to cause us to take some counteraction, so that we shall become so smug and complacent that we cannot handle the situation. They are the men who will not meet the issue. They put off, and keep on putting off, the problems they should solve today.

Mr. President, I have not agreed with the President in many of his recommendations to the Congress; but when the Commander in Chief of the Army and Navy tells me that he would like to switch the Immigration Bureau—apparently for the period of the crisis—he knowing what he knows because he is President and Commander in Chief, I believe I should vote to grant his request unless someone can show a valid reason why it should not be done.

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But we must go back to the real issue. The President wants this transfer; but the distinguished Senator from Montana [Mr. WHEELER] rises and tells about how, years ago, his personal rights were invaded, and therefore he does not want the Department of Justice to look after this phase of the national defense. That is what the Senator from Montana did the other day. Everyone would condemn that sort of thing. It has no place in our American life; but we are not talking about that. We are talking about something more precious than the injuries of yesterday. We are talking about this America of ours, which must have something virile in her being; this America, which must have power also to strike down the aggressor; which must have the power necessary to protect your civil liberties and mine.

There has been too much delay already in this country. There has been an absolute falling asleep in the face of the realities.

I feel that this Nation has no place in the present conflict in Europe. We could not help if we wanted to. We are unprepared. We could not send our boys overseas with peashooters. We have no army, no air force. The Allies do not need credit. They have plenty to buy with for the present, and any talk of repealing the Johnson Act is nonsense.

Our unpreparedness makes us unable to help if we wanted to; but I believe that the American people, as shown by the polls, do not want America to become involved in the conflict overseas; but they do want America prepared to meet any emergency. The American people are waking to the fact that America may be the next nation to be attacked. We must prepare. We must arm; and, Mr. President, one of the ways to prepare and to arm, as suggested by the Senator from Montana, is not to lose our heads, not to become hysterical, but to be steady. Anyone who has eyes with which to see knows that in this land of ours there are destructive forces. The President apparently has deliberated on this subject for some time. He had the advice of those who claim to know before he made this recommendation.

He feels that in the preparedness program the Department of Justice, during this period of conflict abroad, should take over this matter. If the Justice Department needs the assistance of the F. B. I., it should have such assistance. Already the saboteurs are starting their work. Three of the great airplane manufacturers reported that fact yesterday. Today's newspapers bring out the significant fact that in the shipyards in New Jersey, where labor unions have struck for a 10 cent an hour increase, there are two destroyers and two cruisers under construction.

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I make these remarks as a friend of labor. I spoke a few days ago as a friend of labor in relation to the so-called La Follette civil liberties bill. Up to the time I spoke in the Senate on that measure I had received no communications from any labor group, thus indicating that they had no knowledge of the bill. Since that time I have received telegrams from three or four different unions asking me to support the bill, but not telling me why.

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After listening to the President's message a few moments ago, we know that we have to be straight in our thinking, and we cannot be wishy-washy in our attitude. We are planning now to tax the people as they have never before been taxed. We are asking them to pay. We are asking the youth of the Nation to become pilots and soldiers. We are asking the farmers to produce not only what we ourselves need but for the benighted people of Europe as well; and so we are asking all those who labor to take the oar and pull as they never pulled before, and for the period of the crisis to refrain from all strikes—to make themselves immune against the attacks of any "fifth columnists."

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We are all in the same boat with the other nations. Just as labor in England said, we know what we have to do. They are dying in defense of country, and they are not working merely 40 hours a week, but are working the week around; and if the crisis is nearly so serious as it appears to be from the President's message, there is but one answer to the problem—get away from self-seeking groups; be men who represent the Nation and not merely some special interests.

I realize that much I have said may not seem pertinent to the joint resolution under discussion, yet to me it is relevant. We need unity of action, of effort, of mind and soul, to

put our house in order, and we must make sure that the disorganizing forces are not given power.

Mr. President, I come from one of the great States of this Nation—Wisconsin. On the east it is bordered by Lake Michigan, on the west by the father of waters, on the north by Lake Superior. We are a thousand miles and more from the east coast.

Until the war clouds spread over Europe we felt that we were in one of the safest places in the world, but now we know that no place is safe. In other words, everyone is modifying his concept of isolation. This does not mean that war is coming upon this land. It does mean, however, as has been suggested, that, due to invention and modern methods, distances have become shortened. As a consequence, I believe Wisconsin is 100 percent for preparedness, for defense.

Preparedness means an adequate air force, and the word "adequate" means a great deal more than it meant 2 years ago. The war in Europe has shown us what it means.

Lindbergh told us a little while ago about German supremacy in the air, but apparently those in this country who were advising our Government were sufficient unto themselves, with the result that we are in the pickle we are now in.

Adequate preparedness means something different from what it meant 2 years ago, so far as navies are concerned.

Let me digress here and say that the general tendency for most people is to get into a rut, and that is what has happened with our advisers on national defense. They have had plenty of money. It is time that we have alert people in positions of great trust. There is no reason in the world why this country should not have been advised of the great development that was taking place in Germany. It is no excuse for us to say that France and England and the neutral countries were also asleep. We do not pay men in positions of trust to be asleep.

I believe that Lindbergh's knowledge and experience should be drafted. I believe that anything we can do that will put us ahead in a defense program that is really a defense program should be done. The mere fact that Lindbergh disagrees—as do millions of others—with a leadership in this Nation is no reason why his knowledge in the field in which he is a master should not be utilized by this Government.

We have the longest shore line in the world. Defense is a matter of geography. Germany has placed her airplane factories underground, and in different portions of her country. The Middle West is the place now to bring great arsenals into being. There we can produce the weapons of defense that are needed. Speaking about weapons of defense, we need men who have some inventive genius, some imagination—not "rutists," not folks who are living in their yesterdays, not folks who are asleep in this fast-moving world.

I have said we need men who have a little imagination. Germany saw other countries building airports, and she swooped down and took them and used them. Is there no way by which that could be prevented? Germany has airports, but it is said they are so fortified that no one could capture them from the air. We need air bases, a vast army of trained mechanics, an expanding plan for facilities.

Mr. President, we need men in the Army with vision, inventive genius, and imagination; not gold-braid artists. We have spent more than $8,000,000,000 in the past 6 years, and our Army and our Air Corps and our coast defense are a farce. We have no adequate supplies of modern mechanized equipment. While we cannot spend time on spilt milk, we can find those who have been responsible and give them no more opportunity to spill any more milk. It is the people's money that has been spent. We must profit from the mistakes of the past. We must get alert men to look after our national defense, men who are a step ahead and not a step behind.

Our primary problem now in relation to planes and in relation to equipment is that of capacity to produce. And coupled with the capacity to produce there must be an alert research group who are willing and able to learn new methods—men whose minds are not anchored.

Mr. President, we have minds like that in America, but this administration has not been willing to utilize them. The administration wanted simply a one-type mind. And I believe we have gotten in our preparedness program, in our farm program, and in our spending program just what that type of mind can produce.

We have heard in recent years the word "progressive" and the word "liberal." These words have been bastardized in applying them to certain political and economic misfit notions, and America today is reaping the harvest. I pray God we will not reap the whirlwind.

Because of the war fever in the world the day of American leisure is over. I started out with the idea that the notion of isolation is changing. It is changing in more ways than one. The war fever in Europe makes it necessary that we spend billions of our resources to protect our own. The war fever in Europe threatens to disrupt all the economic life of the world. It already has demonstrated that neutral nations—small nations—prepared or unprepared, have no right to remain neutral.

I am hoping, Mr. President, the war fever in Europe will cause America to think more and more of becoming self-sufficient. What about our manganese? What about tin and rubber? Can the exploring spirit of America find that answer?

There is another phase of the preparedness program that is all important. Europe has made us do the thing we are bound to come to; that is, train our youth to handle the modern mechanized instrumentalities, the airplane, the machine gun, the bomber, the antiaircraft gun, the antitank gun.

I am not in favor of creating a great army, but I am in favor—though I was not a few years ago—of giving youth a military education of some kind, which will not, in case this country has to defend itself, leave them to be slaughtered like lambs. No. If war comes to America, we must have our youth adequately prepared.

Why has Germany been able to do what she has been doing? Because she has created a war mechanism. I am not in favor of mechanizing the minds and souls of America, but I am in favor of seeing that each youth has some knowledge of the weapons of defense.

I said a few moments ago that America's day of ease is over. I mean that ahead of us there is work to be done, taxes and more taxes to be paid. We can lay that to various conditions. I know the youth in this country realize that if they are to maintain America they will have to be prepared to look after America. That means individual preparedness. It means also that not only the Regular Army but the National Guard must be adequately prepared and equipped. If we fail to train our youth with modern weapons—which means something more than simply loading a gun and firing it—we will fail in our responsibility to this and future ages. The lessons we must learn from overseas are too apparent. They are in the field of equipment and training. It was the mechanized units, the supermechanized units, coupled with the use of mass bombers and quick transport of troops fully mechanized and equipped, that made the blitzkrieg possible. That was Hitler's preparedness on the land. We will shortly see what his supplemental arm is on the sea.

That brings me to this matter of preparedness in our Navy. We have been building ships, with very little modification, along the old lines, making them more and more open to attack by bombers. Is there anyone now who is consulted, anyone with imagination and genius for such things, to see if ships cannot be made more immune from attack from bombs, and more immune from attack from torpedoes? Have we seen the need, with our vast coast line, of adopting new methods to protect our land, or are we still back in World War days? Would it not be a good thing to do what Weygand did, fire the "ruttists"?

When we are talking about adequate defense, it is imperative that we put our house in order in this country. That house has been very much in disorder. This country must realize fully the serious condition it is in, with a debt of

$45,000,000,000, inability now to balance the Budget, and going into the red more than $3,000,000,000 each year.

The vast bureaucracy which has, fungus-like, been imposed upon our economy, must be reshaped, cut down, and men utilized for constructive work in building our preparedness. Let us get rid of the surplus of public servants.

There is work to be done. There are real jobs to be filled. Everyone knows that in this city there are too many "swivel chair" gentlemen, too many loafers on the Government pay rolls, too many artificial jobs and unnecessary employees.

In this preparedness program we need to accomplish something. We must get rid of the termites within, and I classify among the termites not simply the "fifth columnists," but the loafers, the "parlor pinks," the Nazi-minded Americans. There is no place in America for anyone but the 100-percent American. And that goes for those who are pro-German, or pro-English, or pro-French, or pro anything else. People can have their own sympathies, but they cannot gum up the works with their hysteria or their emotional-jag methods. If they want to fight for other countries or want to aid other countries, they would not have much trouble doing that. There is Canada to the north of us and other channels open where they can individually assist if they want to. But today I am talking about someone who needs their assistance very much. It is their country, and the greatest aid one can give this country is to preach, act, and live 100-percent loyalty to it. We can also make our contribution in many other lines. We can aid in getting rid of the chiselers, the grafters, and the termites. We can be industrious, and preach again the doctrine of work and thrift and industry. We have had 7 years now of other teachings. We have tried the magic of the "hokus pokus" fellows, and we still find that two times two equals four; that the fundamental laws in economics still obtain, that the fundamental rules of living still have force; that the things of the spirit are the vital things.

Mr. BYRD. Mr. President, I wish to take this occasion to express my full confidence in and my approval of the public service of J. Edgar Hoover, Director of the Federal Bureau of Investigation. In my judgment, Mr. Hoover has performed a difficult task in a very satisfactory and eminent way. I am not in sympathy with the criticism and attacks which have been made on him. For this reason it is a matter of gratification to me that the Bureau of Immigration and Naturalization has been transferred to the Department of Justice, and I hope it will be placed under Mr. Hoover's personal direction. Acting in this position, he can do much to control alien activities in this country, and, supported by drastic legislation requiring the fingerprinting and registration of aliens, much can be accomplished to relieve this country of the danger which now exists from alien influences which are antagonistic to our form of government.

Mr. CONNALLY. Mr. President——

The PRESIDING OFFICER (Mr. MILLER in the chair). Does the Senator from Virginia yield to the Senator from Texas?

Mr. BYRD. I yield.

Mr. CONNALLY. Let me suggest to the Senator from Virginia that the Committee on the Judiciary has already reported to the Senate a comprehensive bill requiring the fingerprinting and registration of all aliens in the United States.

Mr. BYRD. I am glad to hear that.

Mr. CONNALLY. We hope to get early consideration for the bill.

Mr. BYRD. I congratulate the Senator from Texas on the fine work I am told he did in connection with this matter.

Mr. President, the time is here to purge America of every alien and foreign influence attempting to undermine and destroy our system of government. America is a free country for American citizens. It is not a free country for aliens who owe their allegiance to and take their orders from other countries. Aliens are permitted here only on good behavior.

There are, no doubt, in America many citizens of other countries who are making no effort to injure our democracy, but it is equally true that there are others who would injure and destroy us if they could.

The treachery of the "fifth column" in Denmark, Norway, Holland, and France should be a warning to us.

I thoroughly approve of the Executive order of the President to transfer the Bureau of Immigration and Naturalization from the Labor Department to the Department of Justice, but this is not enough. The Congress should at once enact laws requiring every alien in this country to register and to have every alien fingerprinted, and these aliens should be required to carry identification cards subject to inspection at all times.

In this time of great crisis, it is no reflection on the legitimate and honorable alien to require registration and an identification card, so it will be possible to detect, deport, and, if justified, punish the undesirable alien who has abused the privileges extended to him by the United States.

Action should be taken quickly and no time lost in passing drastic and compulsory legislation requiring a complete registration of every person in America who is not today a legalized citizen, together with careful supervision of the time of expiration on the permits of those who are here for intervals limited by law.

Mr. HOLMAN. Mr. President, as a member of the Committee on Immigration I wish to say that I hope the President's plan will be approved. It will be observed that there is on the Calendar Order of Business 1166, Senate Resolution 168, providing for an investigation of the immigration of aliens into the United States, which has been unanimously reported from the Committee on Immigration. The resolution was prompted by a conviction on my part, approved unanimously by the Committee on Immigration, that the Bureau of Immigration, under the present Secretary of Labor, is not functioning as the law intends it should function.

I hope that the Senate will approve the President's plan.

The PRESIDING OFFICER. The question is on the engrossment of the amendment and the third reading of the joint resolution.

Mr. NORRIS. Mr. President, of course the Senate is going to approve the plan. I understand that. I hope we may have a yea-and-nay vote, although I may be the only one, with the exception of the Senator from Montana [Mr. WHEELER], who will vote in the negative. I wish to be on record if possible.

Before the vote is taken I wish to say a word or two in reply to what has been said by the Senator from Wisconsin [Mr. WILEY]. I recognize that I am in the minority on this question. I was in the minority 23 years ago; but, Mr. President, neither at that time nor at any time since have I ever charged, or said, or even thought that any of my colleagues who were on the other side and who I thought were carried away by hysteria, were not conscientious, or were doing anything except to follow their convictions. I never questioned the motives, and do not now, of anyone on the other side of that great question.

It occurs to me, however, that the Senator from Wisconsin is overenthusiastic in his condemnation of me and of the Senator from Montana because we are opposed to the joint resolution. We are just as conscientious as are other Senators; no more, but no less. We are just as patriotic as the others are, or as the Senator from Wisconsin is, but no more. We are on an equality and, even though we may be wrong, and stand alone, we still have the constitutional right to be wrong and to stand alone.

Mr. President, I never said, as one might gather from the remarks of the Senator from Wisconsin, that Mr. Hoover was in the F. B. I. at the time of the Palmer raids, an episode, conceded by everyone, I think, to be disgraceful, an episode condemned by one of the greatest men who ever honored the Senate Chamber with his presence, Senator Walsh of Montana, who was a member of the same political party as the then Attorney General, but who nevertheless, in respectful language condemned that raid in the terms in which it deserved to be condemned.

Mr. President, in the course of my remarks, either today or yesterday, I think I said—I may be wrong in my recollection—that at the time of the Palmer raids Mr. Hoover was an assistant to the Attorney General. That is a matter of record. Any intimation by the Senator from Wisconsin that I claimed that Mr. Hoover was running the F. B. I., or was in the Bureau of Investigation at that time, is uncalled for, and without foundation of fact. But Mr. Hoover did have charge of those raids. It was the Department of Justice that had charge of them. I read to the Senate today the testimony of the Attorney General himself. When on the stand, and asked by Senator Walsh, "How many warrants were issued?" the Attorney General said, "I do not know, Senator Walsh. If you want to know that, ask Mr. Hoover. He had charge."

Then the official record shows that the Bureau of Investigation in the Department of Justice gave official instructions to everyone in that organization, to all its field men throughout the United States, when it made provision for that secret raid on the 2d of January 1920, which, I repeat, was one of the most disgraceful things that have ever happened in any civilized country. The raid was under the control of Mr. Hoover. The record which I read here today shows that in the official communication which went out all the inspectors were directed to report by telegram to Mr. Hoover, and to send the telegrams to his office in Washington, which would be open all night; that they were to be marked "Attention of Mr. Hoover," and they were directed to send on the following day letters to that office marked "Attention of Mr. Hoover."

Mr. President, I did not suppose that anyone was going to deny that Mr. Hoover had charge of the raids, when the record so conclusively shows he did. But it seems the Senator from Wisconsin knew positively that Mr. Hoover had nothing to do with that raid. I do not know where he obtained his information. He did not get it from the records of the committee. If the committee records are untrue, and all that testimony, which, so far as I know, has never before been disputed, is false, then I may be wrong and Mr. Hoover may not have had anything to do with those raids.

I cannot help but refer again to that Fremont, Nebr., case, the Carlson case, with respect to which the Senator from Wisconsin obtained a report from Mr. Hoover's office. In that report, which was read at the desk, it was stated, for instance, that this man Carlson, living in Fremont, Nebr., had a plain scar on the back of his neck, and that the imposter, who had obtained money under false pretenses, and went to jail for it afterward, also had a scar; that they both had brown eyes; that they were about the same size.

Mr. President, I never saw Mr. Carlson. I do not know anything about the case except what he wrote me and what Mr. Sorenson, the vice president of one of the leading banks at Fremont, a well-known citizen of the State, told me.

Judging from the letter and from my conversation with a man who has known Carlson for years, there is no similarity whatever between the two men. The woman who swore out the warrant, in describing the man who had passed a bad check on her, said in her affidavit that he had a large scar on the back of his neck, not completely healed. That is the first difference. The real Carlson does not have a scar on the back of his neck; and I should be glad to have the Senator from Wisconsin [Mr. WILEY] go out to Nebraska and examine him so that he may be convinced. Possibly he can prevail upon Mr. Hoover to be more accurate in the description he has given and the record he has made of what happened.

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

Mr. NORRIS. I shall be glad to yield in a moment.

Both men had brown eyes, says J. Edgar Hoover. That may be so. I cannot testify as a witness, because I have never seen the eyes of either man.

It is said that they both had brown hair. I know something about that, because, again from my conversation with Mr. Sorenson, the banker in Fremont, I know what the color of Carlson's hair is. It is the same as Carlson said it was in his letter. His hair is white. It turned white because he was serving his country in France under a difficult situation, under terrible stress, which changed the color of his hair almost overnight. That is why he has white or gray hair, although he is a comparatively young man.

J. Edgar Hoover says that the sheriff states that the man was a "dead beat" and that his credit was no good. The banker told me that outside of his having no credit and no property, morally, particularly, he is a fine citizen. He has been a leader in the Boy Scout movement and his family has a fine reputation. They are fine people. He has three boys, the eldest sixteen and the youngest eleven. They sat in their humble little home and saw the F. B. I. agents put chains upon their father for a crime of which it is now admitted by everybody he was absolutely innocent.

In the first place, the agents were at the Carlson home all day. One of them came to Carlson's house during the day inquiring for Carlson. Mrs. Carlson's mother told him that Carlson was not in the city, but would be in that night, and would be home for supper. Hoover's man told her that he wanted to have a talk with Carlson about the Boy Scout work; that he was very much interested in it, and he knew that Mr. Carlson was also. That was a bit of deception. It was all false. It was used to deceive this innocent man.

When Carlson arrived, and the agents found out his name, the first thing they did was to lay their hands on him and take everything away from him so that he could not fight. He could not defend himself or assault anybody else. If he had a penknife or a toothpick, they took it away from him; and after he was searched and deprived of all possible weapons, they took him into his home and, in the presence of his wife and three boys, made him put his hands up, and put handcuffs on this defenseless, innocent man.

Mr. President, I do not say that the agents ought not to have arrested him; but it was not necessary to go through the cruel performance they went through in the presence of the man's family, and cause him to suffer the humiliation which he suffered. That was not a humane thing to do. Must I pass it up because the Senator from Wisconsin [Mr. WILEY] thinks Hoover is such a great man, and because Hoover approves it? He does approve it. All such things are approved by the F. B. I. That is their method of procedure. That is what I have been inveighing against all this time.

Under the same circumstances the Senator from Wisconsin would not feel that he had been treated in the manner in which a citizen of the United States ought to be treated. After having given up several of the best years of his life in defense of the flag on foreign soil, two or three strangers from the F. B. I.—Hoover's men—came in and handcuffed him in the presence of his family. He said to them, "I will go with you, Mr. Sheriff. You do not need to handcuff me. I would have come if you had called me on the telephone."

Mr. Hoover makes a great ado about the police badge which was found in Carlson's car. The agents searched not only his car but also his house. They had no more right to search his house than I have to search the office of the Senator from Arizona. They had no right to search his car. They had no warrant to search anything, but they searched the house and the car, and they found a police badge. Mr. Carlson explained the badge, although Hoover said that no satisfactory explanation was given. Carlson told where he had obtained the badge. He got it from the mayor of the city of Fremont. The agents could have gone to the mayor and asked him about it. They could have found out whether or not Carlson was telling the truth. There would have been no difficulty in ascertaining how Carlson obtained the badge. He received it as an honor for his leadership in some entertainment or celebration. It was renewed after he had had it for some time because he was a leader in the Boy Scout movement.

I get all this from hearsay. I was not there. I do not know the man, but I know that his letters are corroborated by a man who would not lie about it, who has no interest in the matter, and who says that Carlson was all right except that he was poor. He was struggling to keep out of the poorhouse. But when the public wanted something done in the Boy Scout movement, Carlson was the man who did it. He

was given a police badge to hang on his car merely to entitle him to some privileges under certain circumstances which he would not otherwise have.

I pass by the ridicule in the remarks of the Senator from Wisconsin about how I have followed a leader for 7 years and now have deserted him. If all that were true, a good reason for it would be that a man who has been against Roosevelt all his life—the Senator from Wisconsin—is now coming over and fighting the battles of Roosevelt so his position is just the reverse of mine, if what he says is true. I do not question his right to support this joint resolution. I do not question his sincerity, and I challenge the right of any man in this Chamber or outside of it to challenge my sincerity because I refuse to agree to this rule, even though it be made by a President whom I have gone with, as a rule, ever since he has been in office. I would have a right, I think, to be suspicious of the action of that President because now, after 7 years of bitter opposition, he is supported by the Senator from Wisconsin. That ought to be a good enough reason to desert him now, if my action may be called that. It certainly would be a good enough reason to be suspicious; it certainly would be a good enough reason to investigate before going any further.

Mr. WILEY rose.

Mr. NORRIS. I yield to the Senator from Wisconsin.

Mr. WILEY. Mr. President, after that brilliant remark from the distinguished Senator from Nebraska, let me say——

Mr. NORRIS. Mr. President, I have not yielded for a speech. I supposed the Senator wanted to ask me a question.

Mr. WILEY. I expected that the Senator would be fair enough, after using such language as he did, to let me reply.

Mr. NORRIS. I do not care how much the Senator replies, but he cannot reply in my time. If he wants to ask me a question, I have yielded. If he wants to make a speech, he probably can contain himself until I get through and sit down. [Laughter.]

Mr. WILEY. Mr. President, as the RECORD will show, the distinguished Senator yielded the floor to me. He did not in the first instance limit his yielding to a question.

I am sorry what I have said has hurt the distinguished Senator. I am sorry, too, that the martyr spirit is so evident. I call the Senator's attention to the fact that Mr. Hoover was charged with handling prosecutions following the obtaining of evidence and the arrest of persons; and that is what the record shows.

Mr. NORRIS. Mr. President, I call the Senator to order. I have the floor, and under the rules of the Senate he has no right to make a speech in my time.

The PRESIDING OFFICER. The Senator from Wisconsin has taken his seat.

Mr. NORRIS. I do not want to put any obstructions in the pathway of the Senator from Wisconsin. God knows he may go on in his rapid path as fast and as long as he wants to, and he will not offend me. He has insinuated, however, that I said that Mr. Hoover was in the F. B. I. when the disgraceful Palmer raids took place. I did not say it. The record does not show it; but he was an assistant to the Attorney General, and he did have charge of those raids. That is shown by the record.

The PRESIDING OFFICER. The question is on the engrossment of the amendment and the third reading of the joint resolution.

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

The joint resolution was read the third time.

The PRESIDING OFFICER. The question is, Shall the joint resolution pass?

Mr. NORRIS. On that question I ask for the yeas and nays.

The yeas and nays were ordered, and the legislative clerk proceeded to call the roll.

Mr. SHIPSTEAD (when his name was called). I have a pair with the senior Senator from Virginia [Mr. GLASS]. I am informed that if he were present he would vote "yea." If I were at liberty to vote, I should vote "nay." I withhold my vote.

Mr. RADCLIFFE (when Mr. TYDINGS' name was called). My colleague the senior Senator from Maryland [Mr. TYDINGS] is unavoidably detained. Were he present he would vote "yea."

The roll call was concluded.

Mr. CHANDLER (after having voted in the affirmative). I have a general pair with the Senator from Pennsylvania [Mr. DAVIS]. I am not advised how he would vote if present. I transfer that pair to the senior Senator from Massachusetts [Mr. WALSH], and will permit my vote to stand.

Mr. ASHURST. My colleague [Mr. HAYDEN] is unavoidably absent. If present, he would vote "yea."

Mr. KING. I announce the unavoidable absence of my colleague, the junior Senator from Utah [Mr. THOMAS]. He has a pair with the Senator from New Hampshire [Mr. BRIDGES]. I am not advised how the Senator from New Hampshire would vote if present. I am advised that if my colleague were present he would vote "yea."

Mr. O'MAHONEY. My colleague [Mr. SCHWARTZ] is unavoidably detained. If present, he would vote "yea."

Mr. MILLER. I announce that my colleague, the senior Senator from Arkansas [Mrs. CARAWAY], is unavoidably detained. If present and voting, she would vote "yea."

Mr. HILL. I have a general pair with the junior Senator from Kansas [Mr. REED]. I am not advised how he would vote if present. I transfer that pair to the senior Senator from Maryland [Mr. TYDINGS], and will vote. I vote "yea."

Mr. MEAD. I announce the unavoidable absence of my colleague [Mr. WAGNER], who is detained on public business. If he were present he would vote "yea."

Mr. McKELLAR (after having voted in the affirmative). I have a pair with the senior Senator from Delaware [Mr. TOWNSEND]. I am advised that if he were present he would vote "yea." Therefore, I will let my vote stand.

Mr. AUSTIN. I announce the necessary absence of the senior Senator from Oregon [Mr. MCNARY]. If he were present, he would vote "yea."

I also announce the necessary absence of the Senator from Connecticut [Mr. DANAHER]. If present, he would vote "yea."

Mr. HARRISON. I have a pair with the Senior Senator from Oregon [Mr. MCNARY]; but in view of the statement made by the senior Senator from Vermont touching the senior Senator from Oregon, I will vote. I vote "yea."

Mr. MINTON. I announce that the Senator from Rhode Island [Mr. GREEN] is unavoidably detained.

The Senator from North Carolina [Mr. BAILEY], the Senator from Virginia [Mr. GLASS], the Senator from Illinois [Mr. LUCAS], the Senator from Connecticut [Mr. MALONEY], the Senator from West Virginia [Mr. NEELY], the Senator from Georgia [Mr. RUSSELL], the Senator from Illinois [Mr. SLATTERY], the Senator from New Jersey [Mr. SMATHERS], the Senator from Oklahoma [Mr. THOMAS], and the Senator from Massachusetts [Mr. WALSH] are necessarily detained. I am advised that, if present and voting, these Senators would vote "yea."

The Senator from Washington [Mr. BONE], the Senator from Idaho [Mr. CLARK], the Senator from Ohio [Mr. DONAHEY], the Senator from California [Mr. DOWNEY], the Senator from Rhode Island [Mr. GERRY], the Senator from Iowa [Mr. GILLETTE], and the Senator from Nevada [Mr. PITTMAN] are unavoidably detained.

The result was announced—yeas 56, nays 4, as follows:

YEAS—56

Adams	Byrd	Gurney	La Follette
Andrews	Byrnes	Hale	Lee
Ashurst	Capper	Harrison	McCarran
Austin	Chandler	Hatch	McKellar
Bankhead	Chavez	Herring	Mead
Barbour	Clark, Mo.	Hill	Miller
Barkley	Connally	Holman	Minton
Bilbo	Ellender	Holt	Nye
Brown	George	Hughes	O'Mahoney
Bulow	Gibson	Johnson, Colo.	Overton
Burke	Guffey	King	Pepper

Radcliffe	Sheppard	Taft	Van Nuys
Reynolds	Smith	Thomas, Idaho	White
Schwellenbach	Stewart	Truman	Wiley

NAYS—4

Lundeen	Murray	Norris	Wheeler

NOT VOTING—36

Bailey	Frazier	McNary	Smathers
Bone	Gerry	Maloney	Thomas, Okla.
Bridges	Gillette	Neely	Thomas, Utah
Caraway	Glass	Pittman	Tobey
Clark, Idaho	Green	Reed	Townsend
Danaher	Hayden	Russell	Tydings
Davis	Johnson, Calif.	Schwartz	Vandenberg
Donahey	Lodge	Shipstead	Wagner
Downey	Lucas	Slattery	Walsh

So the joint resolution (H. J. Res. 551) was passed.

Mr. LODGE subsequently said: Mr. President, I was detained from the Senate by reason of important public business at the time the vote was taken on House Joint Resolution 551, and arrived in the Senate Chamber a few minutes after the vote was concluded. I desire to say that if present I should have voted "yea." I ask to have this announcement appear at the proper point in connection with the vote.

Mr. BARKLEY. Mr. President, I ask unanimous consent to have printed in the RECORD a letter written by Miss Perkins, Secretary of Labor, on May 27, to the Honorable JOHN TABER, a Member of the House of Representatives, in which she comments on some statements Mr. TABER made regarding her administration.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

MAY 27, 1940.

The Honorable JOHN TABER, M. C.,
House of Representatives, Washington, D. C.

MY DEAR CONGRESSMAN TABER: I have just had called to my attention your speech in the House today with regard to the reorganization order transferring the Immigration and Naturalization Service to the Department of Justice. You are quoted as having said:

"We are going to vote for this reorganization plan because the President has not the patriotism nor the courage to remove the Secretary of Labor, a notorious incompetent, and one who for the last 7 years has steadily and steadfastly failed and refused to enforce the immigration law, and continuously admitted and kept here those who were not entitled to stay."

I have no objection to your expressing your opinion about my competency. That is a matter of personal judgment and you are unquestionably entitled to yours. I feel, however, that I must raise objection to that part of your statement which professes to be a statement of fact, namely, "That I have for the last 7 years steadily and steadfastly refused to enforce the immigration law and admitted and kept here persons not entitled to stay." This statement is not true, nor is it a mere expression of opinion.

The immigration law has been enforced faithfully and effectively during the last 7 years. For the first 4 of these 7 years the Immigration Service was in charge of the Commissioner, Col. Daniel J. MacCormack, an officer in the United States Army with a long record of effectiveness, efficiency, and patriotism. I appointed him for these reasons and directed him to enforce the law fairly and faithfully. We were confronted on the threshold of our duties with not only certain undesirable situations of administration which had been denounced by the Wickersham Committee, appointed by President Hoover, but by clear evidence of corruption in certain offices. It was our duty to correct these things, and we did so. We directed our attention not only at the deportation of aliens not legally entitled to remain in the county but also took vigorous steps to prevent the illegal entrance of aliens, including the smuggling of aliens, falsification of immigration documents, fraudulent activities in naturalization proceedings, all of which were found to be going on under the administration of the law.

We have reorganized and expanded the border patrol, one of the most effective branches of the Service for the prevention of illegal entry. We completely motorized the Service with radio-call system and provided for the modern supervision in training of that service. We developed a system of education and training for naturalization, which is practical and aims to enable the courts to make proper selection of those who are attached to the principles of the Constitution and so eligible for citizenship. These policies have been continued under Commissioner J. Lawrence Houghteling.

I also appointed a committee of experts, external to the Department (Dimock, Hart, and McIntyre) to study the problems of immigration. On the basis of their report a reorganization in the interests of making the service still more effective and of giving to the people in the field a better knowledge of the law and the Court decisions is being set up. A classification survey of positions in the Immigration and Naturalization Field Service has been completed in the interests of greater efficiency, following the recommendations of the committee.

The changes made, at times misrepresented by some, were designed to improve the system. They have cleared up irregularities and dishonest situations and have accomplished many of the reforms badly needed and recommended in the report of President Hoover's Wickersham Committee in 1931.

Every person admitted, temporarily or otherwise, to the United States during my administration of the immigration law has been admitted in accordance with the laws as enacted by the Congress of the United States. These admissions for brief periods as temporary visitors have been under proper safeguards. In a number of deportation cases involving no subversive or criminal charges, but which would have meant separation of families and the abandonment of American citizens, I have deferred making effective final deportation orders while legislation giving relief in these cases was pending in Congress. These cases have been reported to the immigration committees of Congress which were considering them in connection with private bills and with proposals for general remedial legislation.

Throughout my administration the immigration law has been enforced energetically, fairly, and humanely, under my direction.

I have been in public office for many years. I have a reputation for service to the public and for faithfulness in discharge of public duty, and for placing the public interest above any other, which I am sure you will admit I should and must defend in fairness to those who have placed their confidence in me, as well as to myself. I have tolerated many expressions of opinion adverse to me personally in my administration of this Department, believing that it was not in the interest of the public to raise personal objections to the free expression of opinion, however unfavorable. Some of the expressions led to statements on the floor of the House and to impeachment proceedings. These charges finally culminated in an investigation by the House Committee on the Judiciary resulting in a finding of lack of any evidence to evade responsibility to enforce the law, or of failing or neglecting or refusing to enforce the law against any alien.

Your statement of today, however, I feel I should not accept without protest. Since it was offered as fact, sir, I believe that it is in the interests of justice, not only to me but to the 4,000 men and women of the Immigration Service who have faithfully carried out the law, since they cannot speak for themselves, that this letter be made public.

I know that many things are said in the heat of political controversy which one does not wish to stand by, and I am sure you will understand that I bear you no personal animosity, but wish to correct the record. I realize that these statements were made under a rule of immunity which Members of Congress have and for that reason I am sure you will be the first to wish to correct anything that is misleading therein.

Yours very sincerely.

RELOCATION OF STATUE OF JOHN MARSHALL

Mr. BARKLEY. Mr. President, from the Committee on the Library I report favorably House Joint Resolution 260, authorizing the removal of the statue of John Marshall from its present site on the Capitol Grounds to a new site in proximity to the Supreme Court Building.

The PRESIDING OFFICER (Mr. MINTON in the chair). Is there objection to the immediate consideration of the joint resolution?

There being no objection, the joint resolution was considered, ordered to a third reading, read the third time, and passed.

STATUE OF GEORGE WASHINGTON

Mr. BARKLEY. Mr. President, I report favorably from the Committee on the Library House bill 6158, and ask for its present consideration.

The PRESIDING OFFICER. The bill will be stated by title.

The LEGISLATIVE CLERK. A bill (H. R. 6158) authorizing the selection of a site in the District of Columbia and the erection thereon of a statue of George Washington.

The PRESIDING OFFICER. Is there objection to the immediate consideration of the bill?

Mr. CLARK of Missouri. Mr. President, I inquire of the Senator from Kentucky why there is any particular reason for bills reported from the Committee on the Library being considered immediately, instead of going to the calendar?

Mr. BARKLEY. Mr. President, the reason is that these measures have been pending for some time; they have both passed the House; and the Fine Arts Commission is anxious to have them enacted, so that they may proceed with the removal of the Marshall statue, and, if possible, proceed to select a site for the statue of Washington.

Mr. CLARK of Missouri. I do not intend to object, but I have in mind that for the last 20 years the Fine Arts Commission has been anxious to remove the statue of Andrew Jackson from Lafayette Park, and I do not see any particular reason why these measures from the Committee on the Library should be removed from the ordinary practice of the Senate of having bills go to the calendar when they are reported from committees. I shall not object.

Mr. BARKLEY. So far as the Marshall statue is concerned, it is located at the foot of the steps on the west of the Capitol and very few people who come to Washington see it. Inasmuch as the Supreme Court has been located on the square designated for it, it has been felt appropriate that the statue of Marshall should be removed to the vicinity of the Court, where people will see it. It is not sympathy with the Fine Arts Commission that leads us to report the joint resolution. We feel that the statute should be moved.

Mr. CLARK of Missouri. I am in entire sympathy with the purpose of the measure, but that condition has existed, to my certain knowledge, for at least 45 years—I can remember it back that far—and the statue has been there all these years; and why it should be necessary to depart from the ordinary course of sending a bill to the calendar and having it go through the ordinary procedure, I am unable to understand. I do not intend to object because I think what the measure provides should be done.

Mr. McKELLAR. Mr. President, I am in favor of the bill and will be glad to see it enacted; but I corroborate what the Senator from Missouri has said with regard to the Fine Arts Commission and its attitude toward the statue of Andrew Jackson. The first contest I had as a new Member of the House of Representatives, nearly 30 years ago, was over an attempt of the Fine Arts Commission to have the Andrew Jackson statue removed from Lafayette Square. My recollection is that the House determined otherwise by a unanimous vote.

Mr. CLARK of Missouri. I may say that my father held up that attempt for 20 years.

Mr. BARKLEY. I do not know anything about the attempt to remove the Andrew Jackson statue. There is no bill before us on that subject, and, so far as I know, there is none before the Committee on the Library, and has not been since I have been chairman of it.

Mr. CLARK of Missouri. If the Senator will permit, my reason for mentioning the subject of rushing bills from the Committee on the Library through at a late hour in the afternoon is that I have been advised that there is soon to be an attempt made to take down either the great painting of the Battle of Lake Erie, which hangs at the head of the stairway on one side of the Senate, or the equally great painting of the storming of Chapultepec Castle, which hangs at the head of the stairway on the other side of the Senate, so as to make room for the new painting by Mr. Howard Chandler Christy, which has recently been paid for by the Congress to the tune of $30,000 under a measure which, I may say, was passed one day when a few of us happened to be off the floor.

Mr. CONNALLY. Mr. President, has the site already been selected for Marshall's statue?

Mr. BARKLEY. No.

Mr. CONNALLY. Who has authority to make the selection? I think we should have some say in the matter.

Mr. BARKLEY. I think it will be selected by the Joint Committee on the Library and the Fine Arts Commission, working together.

Mr. CONNALLY. If a committee of Congress has something to do with it, that is all right.

Mr. BARKLEY. It has been thought it would not be appropriate to place the statue of Marshall in the Supreme Court Building; but, in view of Marshall's long tenure as Chief Justice, it is believed his statue should be located somewhere in the vicinity of the Court.

Mr. CONNALLY. I agree with the Senator in that suggestion.

Mr. BARKLEY. It may be placed on the Court square, somewhere outside the Court Building.

Mr. CONNALLY. But someone in Congress should have a say in connection with selecting a location for the statue.

Mr. BARKLEY. My recollection is that the Joint Committee on the Library, together with the Fine Arts Commission, will decide the matter.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill last reported by the Senator from Kentucky?

There being no objection, the bill (H. R. 6158) was considered, ordered to a third reading, read the third time, and passed.

MILITARY EXPENDITURES

Mr. BARKLEY. Mr. President, I ask leave to have printed in the RECORD a statement made by the Secretary of War, together with a break-down of the appropriations for military purposes for the fiscal years 1925 to 1940, inclusive.

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

MAY 28, 1940.

WAR DEPARTMENT

There has been much discussion in recent weeks of the appropriations of moneys to the War Department for its military activities. In order to afford you a factual and long-range picture of those national-defense allotments, I enclose a tabulation of appropriations for military purposes—as distinct from those for the War Department's nonmilitary civil activities—covering a period of 16 fiscal years, 1925 to 1940, both inclusive.

You will note that during that 16-year period the amounts appropriated for the military activities of the Army totaled $6,169,300,000, including $371,300,000 from Federal emergency funds. That total includes not only allotments for the Regular Army, but for the National Guard, the Organized Reserves, the Reserve Officers' Training Corps, the citizens' military training camps, and other military activities.

Of that total of $6,169,300,000 it should be noted that 86.1 percent—that is, $5,314,744,000—were allotted for what are termed recurring charges and improvement of plant. These items include pay, rations, clothing, repairs, research and development, planning, construction, training, operations, maneuvers, schools, and similar activities. Left for expenditure by the War Department, after those charges, were a bare $854,556,000 for augmentation, modernization, and replacement of arms and equipment, including new aircraft, spare engines, spare parts, bombs, new tanks, antiaircraft and antitank guns, semiautomatic rifles, trucks, tractors, field guns, machine guns, ammunition, and similar matériel.

It should be noted that of this $854,556,000, $509,900,000 went to the Army's Air Corps, a comparatively new, but nonetheless vital, branch of the land forces. In other words, of the total of somewhat over six billions appropriated for the military activities of the War Department over a period of 16 years only $344,656,000—a bare 5.6 percent—was available for the augmentation, modernization, and replacement of arms and equipment for the ground elements of the Army of the United States. In view of these facts it is rather remarkable to me that we have been able to maintain any mobile ground Army at all, especially when it is considered that the useful life of much military equipment, such as tanks and heavy motor vehicles, barely exceeds 5 years.

You will note from the break-down that an average of only $21,000,000 per year has been allotted for the modernization, motorization, mechanization, and equipment of the Army's ground forces.

It is my hope that the enclosed tabulation will serve to clear up some of the prevailing misconceptions on the military expenditures by the War Department during the past decade and a half.

Total military appropriations, 1925–1940, inclusive	$6,169,300,000
Total spent on fixed charges—food, clothing, housing, training, etc	5,314,744,000
	854,556,000
Total spent on Air Corps	509,900,000
Total left—spent on arms and equipment for ground forces	344,656,000

16 years) $344,656,000 ($21,000,000

32

24
16
8

HARRY H. WOODRING,
Secretary of War.

Appropriations for the Military Establishment showing approximate break-down into major functions fiscal years 1925 to 1940, inclusive

Fiscal year	Recurring charges and improvement of plant: Pay, rations, clothing, repairs, research and development, planning, construction, training, operations, maneuvers, schools, etc.		Augmentation, modernization, and replacement of arms and equipment: This includes new aircraft, spare engines, spare parts, bombs, new tanks, antiaircraft and antitank guns, semi-automatic rifles, trucks, tractors, field guns, machine guns, ammunition, etc.		Total appropriation, Military Establishment
	Entire Army (less Air Corps)	Air Corps	Entire Army (less Air Corps)	Air Corps	
(1)	(2)	(3)	(4)	(5)	(6)
1925	$208,280,000	$35,398,000	$7,623,000	$4,699,000	$256,000,000
1926	202,795,000	38,950,000	12,244,000	7,011,000	261,000,000
1927	202,102,000	37,167,000	21,673,000	8,058,000	269,000,000
1928	224,268,000	42,917,000	4,219,000	10,596,000	282,000,000
1929	234,121,000	45,473,000	17,594,000	13,812,000	311,000,000
1930	249,829,000	53,975,000	11,502,000	16,694,000	332,000,000
1931	254,397,000	60,525,000	14,089,000	17,989,000	347,000,000
1932	244,031,000	60,603,000	14,163,000	16,203,000	335,000,000
1933	238,003,000	47,217,000	6,617,000	12,163,000	304,000,000
1934 [1]	222,625,000	45,472,000	590,000	8,313,000	277,000,000
	[2] 53,150,000	[2] 18,050,000	[2] 18,000,000	[2] 7,500,000	[2] 96,700,000
1935	205,219,000	54,375,000	8,373,000	13,033,000	281,000,000
	[2] 6,300,000	[2] 2,100,000	[2] 500,000		[2] 8,900,000
1936	243,538,000	57,284,000	24,121,000	30,057,000	355,000,000
	[2] 13,950,000	[2] 4,650,000			[2] 18,600,000
1937	258,834,000	65,951,000	19,538,000	43,677,000	388,000,000
	[2] 23,700,000	[2] 7,900,000			[2] 31,600,000
1938	282,780,000	75,303,000	15,626,000	43,291,000	417,000,000
	[2] 37,950,000	[2] 12,650,000			[2] 50,600,000
1939	294,010,000	81,431,000	30,151,000	54,408,000	460,000,000
	[2] 94,425,000	[2] 31,475,000			[2] 125,900,000
1940	380,038,000	222,533,000	118,033,000	202,396,000	923,000,000
	[2] 29,250,000	[2] 9,750,000			[2] 39,000,000
Total	3,944,870,000	1,024,574,000	326,156,000	502,400,000	5,798,000,000
	[2] 258,725,000	86,575,000	[2] 18,500,000	[2] 7,500,000	[2] 371,300,000
Grand total	4,203,595,000	1,111,149,000	344,656,000	509,900,000	6,169,300,000

The grand total in—
Column 2 is 68.1 percent of the grand total in column 6.
Column 3 is 18.0 percent of the grand total in column 6.
Column 4 is 5.6 percent of the grand total in column 6.
Column 5 is 8.3 percent of the grand total in column 6.

100.0 percent.

[1] A total of approximately $36,500,000 was impounded and refunded in 1934. This was taken more or less proportionately from all activities.
[2] Allotments from Federal emergency funds.

RIGHT-OF-WAY ADJACENT TO FORT LAUDERDALE, FLA.

Mr. PEPPER. Mr. President, I ask unanimous consent that the Senate request the House of Representatives to return to the Senate the bill (S. 3959) authorizing the Secretary of the Treasury to grant a certain right-of-way across Coast Guard property adjacent to the city of Fort Lauderdale, Fla.

The PRESIDING OFFICER. The Senator must first make a motion to reconsider the vote by which the bill was passed.

Mr. BARKLEY. Mr. President, that question was debated here a few days ago. I hope the Chair will not now make the ruling he indicates, because it seems to me the Senate has the right to ask the other body to return the papers in any case so long as the measure has not been acted on.

When the papers have left the custody of the Senate a motion to reconsider must be accompanied by a motion to ask the other House to return the papers. It seems to me that a mere request that the other House return papers should not require that a motion to reconsider be made. I do not think the rule so requires. The rule says that a motion to reconsider, made when the papers have left the Senate, must be accompanied by a motion to ask the House to return the papers. But when simply a motion is made to ask the House to return the papers without regard to any other consideration, I do not think the rule, even by implication, is to the effect that such a motion must be accompanied by a motion to reconsider.

Certainly, so long as the other House has not acted upon a bill which we have passed, we have a right to ask the House to return it to the Senate, and the rule does not state to the contrary. It simply states that when a motion is made to reconsider a bill which has left the Senate, it must be accompanied by a motion asking the other House to return the papers.

If the Chair is going to make the ruling he indicated, I do not want to detain the Senate here to argue that point now. For that reason I hope the Senator from Florida will not press his request. I hope that a ruling may not be made at this time.

The junior Senator from Kentucky [Mr. CHANDLER], who was in the chair the other day when a similar question arose, withheld his ruling so far as that question was concerned, although he held properly that the rule is that when a motion is made to reconsider a bill which has left the custody of the Senate it must be accompanied by a motion to return the papers.

Mr. PEPPER. A parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. PEPPER. What is the appropriate motion to make if a Senator wishes to ask the Senate to request the return of a bill which has recently been passed by the Senate and which has gone to the House of Representatives?

The PRESIDING OFFICER. The Chair is advised by the parliamentary clerk that the proper procedure is to make a motion to reconsider.

Mr. BARKLEY. Mr. President, at the proper time I shall appeal from the decision of the Parliamentarian on that point, because I do not think the rule justifies that interpretation. I do not want to make the appeal now, because a sufficient number of Senators are not present.

The PRESIDING OFFICER. The Chair withholds the ruling for the time being.

Mr. BARKLEY. With all due respect to the Parliamentarian, it is very important that that ruling be thoroughly discussed here. He and I have argued that point. We do not agree on it.

Mr. PEPPER. Mr. President, let the RECORD show that the request is withdrawn.

The PRESIDING OFFICER. The RECORD will so show.

Mr. LUNDEEN. Mr. President, I wish to state that I yielded my place on the list of speakers today, but, with the permission of the Senate, I should like to take the floor as soon as the naval-preparedness bill shall have been explained by the Senator from Massachusetts [Mr. WALSH].

Mr. BARKLEY. Mr. President, I wish to state to the Senator from Minnesota that I am advised that two other Senators have already indicated their desire to address the Senate Monday. I do not know at what time they wish to address the Senate, but I think I ought to make that statement in order that no priority may exist because of any notice being served at this time. I am satisfied there will be plenty of time for all Senators who wish to address the Senate.

Mr. LUNDEEN. I will say that I believe I was next on the list of speakers, and I should like to be heard as soon as it is possible.

Mr. BARKLEY. The Senator from Minnesota desired to speak today and very courteously yielded his position in order that we might conclude consideration of House Joint Resolution 551.

Mr. LUNDEEN. I wish to say that I could not resist the distinguished leader of the majority, the Senator from Kentucky, who requested that I withhold my request for permission to speak today.

Mr. BARKLEY. I thank the Senator from Minnesota. I wish I were irresistible in connection with many other matters.

KATHERINE SCOTT, AND OTHERS

The PRESIDING OFFICER (Mr. MINTON in the chair) laid before the Senate the amendments of the House of Representatives to the bill (S. 2132) for the relief of Kather-

ine Scott, Mrs. J. H. Scott, Jettie Stewart, and Ruth Mincemeyer, which were, on page 1, line 6, to strike out "$2,000" and insert "$2,500"; in line 7, to strike out "$1,300" and insert "$500"; in line 8, to strike out "$100" and insert "$50"; in line 9, to strike out "$100" and insert "$50"; and in the same line, to strike out "$3,500" and insert "$3,100."

Mr. TRUMAN. I move that the Senate concur in the amendments of the House.

The motion was agreed to.

AMENDMENT OF DISTRICT CODE RELATING TO MURDER IN FIRST AND SECOND DEGREES—CONFERENCE REPORT

Mr. KING submitted the following report:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 186) to amend section 798 of the Code of Law for the District of Columbia, relating to murder in the first degree, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its disagreement to the amendment of the House to the text of the bill and agree to the same with an amendment as follows:

In lieu of the matter proposed to be inserted by the House amendment insert the following:

"That sections 798 and 800 of the Act entitled 'An Act to establish a Code of Law for the District of Columbia,' approved March 3, 1901 (31 Stat. 1189), be amended to read as follows:

" 'SEC. 798. Murder in the first degree: Whoever, being of sound memory and discretion, kills another purposely, either of deliberate and premeditated malice or by means of poison, or in perpetrating or attempting to perpetrate any offense punishable by imprisonment in the penitentiary, or without purpose so to do kills another in perpetrating or in attempting to perpetrate any arson, as defined in section 820 or 821 of this Code, rape, mayhem, robbery, or kidnapping, or in perpetrating or in attempting to perpetrate any housebreaking while armed with or using a dangerous weapon, is guilty of murder in the first degree.

" 'SEC. 800. Murder in the second degree: Whoever with malice aforethought, except as provided in the last two sections, kills another, is guilty of murder in the second degree.' "

And the House agree to the same.

That the Senate recede from its disagreement to the amendment of the House to the title of the bill, and agree to the same.

WILLIAM H. KING,
FREDERICK VAN NUYS,
G. W. NORRIS,
Managers on the part of the Senate.

JACK NICHOLS,
HERMAN P. EBERHARTER,
EVERETT M. DIRKSEN,
Managers on the part of the House.

The report was agreed to.

EXECUTIVE SESSION

Mr. BARKLEY. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

EXECUTIVE MESSAGES REFERRED

The PRESIDING OFFICER (Mr. MINTON in the chair) laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

(For nominations this day received, see the end of Senate proceedings.)

EXECUTIVE REPORTS OF A COMMITTEE

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

The PRESIDING OFFICER. If there be no further reports of committees, the clerk will state the nominations on the calendar.

FARM CREDIT ADMINISTRATION

The legislative clerk read the nomination of Albert G. Black to be Governor of the Farm Credit Administration.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

POSTMASTERS

The legislative clerk proceeded to read sundry nominations of postmasters.

Mr. McKELLAR. I ask that the nomination of postmasters on the calendar be confirmed en bloc.

The PRESIDING OFFICER. Without objection, the nominations of postmasters are confirmed en bloc. That completes the calendar.

RECESS TO MONDAY

Mr. BARKLEY. As in legislative session, I move that the Senate take a recess until 12, o'clock noon on Monday next.

The motion was agreed to; and (at 6 o'clock and 47 minutes p. m.) the Senate took a recess until Monday, June 3, 1940, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate May 31 (legislative day of May 28), 1940

DIPLOMATIC AND FOREIGN SERVICE

Harold L. Williamson, of Illinois, now a Foreign Service officer of class 4 and a secretary in the Diplomatic Service, to be also a consul general of the United States of America.

POST OFFICE DEPARTMENT

Walter Myers, of Indiana, to be Fourth Assistant Postmaster General, Post Office Department, vice Smith W. Purdum.

REGISTERS OF THE LAND OFFICE

George Finley, of Oregon, to be register of the Land Office at Roseburg, Oreg. (Reappointment.)

William Riddell, of Montana, to be register of the Land Office at Billings, Mont. (Reappointment.)

Mrs. Belle D. Byrne, of North Dakota, to be register of the Land Office at Bismarck, N. Dak. (Reappointment.)

POSTMASTERS

ALABAMA

James A. Sanders to be postmaster at Beatrice, Ala., in place of J. A. Sanders. Incumbent's commission expires July 13, 1940.

George B. Pickens to be postmaster at Moundville, Ala., in place of G. B. Pickens. Incumbent's commission expired May 19, 1940.

Lucile W. Hereford to be postmaster at New Market, Ala., in place of L. W. Hereford. Incumbent's commission expires July 1, 1940.

William H. Hoffman to be postmaster at Summerdale, Ala., in place of W. H. Hoffman. Incumbent's commission expires July 1, 1940.

Gladys W. Deramus to be postmaster at Verbena, Ala., in place of G. W. Deramus. Incumbent's commission expires June 25, 1940.

ALASKA

Augustus H. Kingsbury, Jr., to be postmaster at Haines, Alaska, in place of A. H. Kingsbury, Jr. Incumbent's commission expires July 1, 1940.

ARIZONA

Jessie Stephens to be postmaster at Camp Verda, Ariz. Office became Presidential July 1, 1939.

William J. Philipson to be postmaster at Ray, Ariz., in place of W. J. Philipson. Incumbent's commission expires June 16, 1940.

Minnie V. Van Deren to be postmaster at Tombstone, Ariz., in place of M. V. Van Deren. Incumbent's commission expires June 25, 1940.

ARKANSAS

Alfred J. Jefferies to be postmaster at Clarendon, Ark., in place of A. J. Jeffries. Incumbent's commission expires July 7, 1940.

LeRoy May to be postmaster at Rosston, Ark., in place of L. C. O'Keefe. Incumbent's commission expired May 9, 1940.

Clyde V. Warr to be postmaster at State College, Ark., in place of C. V. Warr. Incumbent's commission expires July 1, 1940.

CALIFORNIA

Winfred E. Robb to be postmaster at Arlington, Calif., in place of W. E. Robb. Incumbent's commission expired April 24, 1940.

Jerome Beatty to be postmaster at Claremont, Calif., in place of Jerome Beatty. Incumbent's commission expires June 16, 1940.

Myrtle A. Garaventa to be postmaster at Davenport, Calif. Office became Presidential July 1, 1939.

Melvin L. Horine to be postmaster at Denair, Calif., in place of M. L. Horine. Incumbent's commission expired May 22, 1940.

Maud W. Wilson to be postmaster at Fall River Mills, Calif., in place of M. W. Wilson. Incumbent's commission expired January 28, 1940.

Richard L. Byington to be postmaster at Friant, Calif. Office became Presidential January 1, 1940.

William R. Bernard to be postmaster at Gonzales, Calif., in place of W. R. Bernard. Incumbent's commission expired April 27, 1940.

Dorathea Dooley to be postmaster at Hopland, Calif., in place of Dorathea Dooley. Incumbent's commission expired January 23, 1940.

Margaret A. Brophy to be postmaster at Hughson, Calif., in place of M. A. Brophy. Incumbent's commission expires June 1, 1940.

Nettie Fausel to be postmaster at Independence, Calif., in place of Nettie Fausel. Incumbent's commission expired March 29, 1940.

Edythe C. McGowan to be postmaster at Julian, Calif., in place of E. C. McGowan. Incumbent's commission expired July 1, 1939.

Adelaide T. Orrell to be postmaster at Junction City, Calif. Office became Presidential July 1, 1939.

Nannie A. Coleman to be postmaster at Kentfield, Calif., in place of N. A. Coleman. Incumbent's commission expired April 3, 1940.

Lloyd C. Rowe to be postmaster at Lancaster, Calif., in place of L. C. Rowe. Incumbent's commission expired February 14, 1940.

Frank G. Kirby to be postmaster at Larkspur, Calif., in place of F. G. Kirby. Incumbent's commission expires June 18, 1940.

Fred J. Darby to be postmaster at Lemoncove, Calif., in place of F. J. Darby. Incumbent's commission expires June 25, 1940.

Claude T. Gadwood to be postmaster at Los Molinos, Calif., in place of C. T. Gadwood. Incumbent's commission expired April 25, 1940.

Marshall E. Walden to be postmaster at Newman, Calif., in place of M. E. Walden. Incumbent's commission expired March 13, 1940.

Roy C. Adams to be postmaster at Pacific Beach, Calif., in place of J. J. Ryan. Incumbent's commission expired August 26, 1939.

John E. Alfors to be postmaster at Parlier, Calif., in place of J. E. Alfors. Incumbent's commission expired January 23, 1940.

Martin E. Collins to be postmaster at Pinole, Calif., in place of M. E. Collins. Incumbent's commission expired August 14, 1939.

Fred Jacobsen to be postmaster at Roscoe, Calif., in place of Fred Jacobsen. Incumbent's commission expired February 14, 1940.

Manuel S. Trigueiro to be postmaster at San Miguel, Calif., in place of M. S. Trigueiro. Incumbent's commission expired March 25, 1940.

Lester C. Reed to be postmaster at Simi, Calif., in place of R. A. Printz, retired.

Catherine E. Ortega to be postmaster at Sonora, Calif., in place of C. E. Ortega. Incumbent's commission expired March 29, 1940.

Walter S. Young to be postmaster at Spreckels, Calif., in place of W. S. Young. Incumbent's commission expired April 24, 1940.

Bess Morabe to be postmaster at Sutter Creek, Calif., in place of Bess Morabe. Incumbent's commission expired January 23, 1940.

Marjorie G. Bray to be postmaster at Tranquillity, Calif. Office became Presidential July 1, 1939.

CONNECTICUT

John J. Lee to be postmaster at Beacon Falls, Conn., in place of J. J. Lee. Incumbent's commission expires June 17, 1940.

John J. Mahony to be postmaster at Derby, Conn., in place of J. J. Mahony. Incumbent's commission expires June 25, 1940.

Clinton A. Theis to be postmaster at Madison, Conn., in place of C. A. Theis. Incumbent's commission expires June 1, 1940.

Edna M. Jenkins to be postmaster at Middlefield, Conn., in place of E. M. Jenkins. Incumbent's commission expired August 22, 1939.

Charles J. Fields to be postmaster at Norfolk, Conn., in place of C. J. Fields. Incumbent's commission expired April 1, 1940.

Charles T. Kelly to be postmaster at Oakville, Conn., in place of C. T. Kelly. Incumbent's commission expired May 18, 1940.

Charles W. Camp to be postmaster at Plantsville, Conn., in place of C. W. Camp. Incumbent's commission expired May 20, 1940.

George E. Barton to be postmaster at Salisbury, Conn., in place of G. E. Barton. Incumbent's commission expires June 25, 1940.

DELAWARE

Byron C. Dunn to be postmaster at Camden, Del., in place of B. C. Dunn. Incumbent's commission expired April 24, 1940.

FLORIDA

Avie L. Hansford to be postmaster at Altha, Fla., in place of A. L. Hansford. Incumbent's commission expired February 5, 1940.

Herbert L. Eiland to be postmaster at Baker, Fla., in place of H. L. Eiland. Incumbent's commission expires July 1, 1940.

Frank B. Marshburn to be postmaster at Bronson, Fla. Office became Presidential July 1, 1939.

Esther M. Stewart to be postmaster at Graceville, Fla., in place of E. M. Stewart. Incumbent's commission expires June 25, 1940.

William T. Murrell to be postmaster at Miami Springs, Fla., in place of W. T. Murrell. Incumbent's commission expires June 25, 1940.

Clarence L. Ware to be postmaster at St. Andrew, Fla., in place of C. L. Ware. Incumbent's commission expires July 1, 1940.

GEORGIA

Alene W. Moxley to be postmaster at Cobbtown, Ga. Office became Presidential July 1, 1937.

Alma Bustle to be postmaster at Coolidge, Ga. Office became Presidential July 1, 1939.

John L. Callaway to be postmaster at Covington, Ga., in place of J. L. Callaway. Incumbent's commission expired March 18, 1940.

James Jarratt Pryor to be postmaster at Fitzgerald, Ga., in place of W. A. Adams, resigned.

Robert A. Fowler to be postmaster at Fort Gaines, Ga., in place of R. A. Fowler. Incumbent's commission expired March 18, 1940.

Ursuline Belcher Ingersoll to be postmaster at Industrial College, Ga. Office became Presidential July 1, 1939.

Arthur G. Williams to be postmaster at Jesup, Ga., in place of A. G. Williams. Incumbent's commission expired March 18, 1940.

Pearl E. Hughs to be postmaster at Stillmore, Ga., in place of P. E. Hughs. Incumbent's commission expired March 13, 1940.

Claude M. Proctor to be postmaster at Summit, Ga., in place of C. M. Proctor. Incumbent's commission expired February 27, 1940.

William H. Freeman to be postmaster at Toomsboro, Ga., in place of W. H. Freeman. Incumbent's commission expires July 1, 1940.

ILLINOIS

Richard M. Laux to be postmaster at Addison, Ill., in place of R. M. Laux. Incumbent's commission expires July 1, 1940.

Charles E. Olds to be postmaster at Albany, Ill., in place of C. E. Olds. Incumbent's commission expires July 1, 1940.

Henry Harris to be postmaster at Auburn, Ill., in place of Henry Harris. Incumbent's commission expired March 25, 1940.

William C. Hueckel to be postmaster at Caseyville, Ill. Office became Presidential July 1, 1939.

Raymond O. Huffman to be postmaster at Catlin, Ill., in place of R. O. Huffman. Incumbent's commission expires June 1, 1940.

George R. Bradley to be postmaster at Chatham, Ill., in place of G. R. Bradley. Incumbent's commission expires July 1, 1940.

Elizabeth K. Butler to be postmaster at Crystal Lake, Ill., in place of E. K. Butler. Incumbent's commission expired May 19, 1940.

John T. O'Brien to be postmaster at Harvard, Ill., in place of J. T. O'Brien. Incumbent's commission expired January 20, 1940.

Margaret Marshall to be postmaster at Ipava, Ill., in place of Margaret Marshall. Incumbent's commission expires July 15, 1940.

Oral LaVan Dowse to be postmaster at Kempton, Ill., in place of O. L. Dowse. Incumbent's commission expires July 1, 1940.

Mildred M. Conwell to be postmaster at La Harpe, Ill., in place of Mildred Conwell. Incumbent's commission expires June 1, 1940.

Marshall P. Kuhne to be postmaster at McNabb, Ill., in place of M. P. Kuhne. Incumbent's commission expires July 1, 1940.

Helen C. Mowen to be postmaster at Macon, Ill., in place of H. C. Mowen. Incumbent's commission expired April 24, 1940.

Eugene Hoerrmann to be postmaster at Manhattan, Ill., in place of Eugene Hoerrmann. Incumbent's commission expired January 20, 1940.

Harry L. Roberts to be postmaster at Mulberry Grove, Ill., in place of H. L. Roberts. Incumbent's commission expired April 24, 1940.

Bona D. Sutter to be postmaster at Pearl, Ill., in place of B. D. Sutter. Incumbent's commission expired August 22, 1939.

Guy George Gillespie to be postmaster at Pocahontas, Ill., in place of G. G. Gillespie. Incumbent's commission expires June 1, 1940.

Melville B. Carr to be postmaster at Scales Mound, Ill., in place of M. B. Carr. Incumbent's commission expires June 20, 1940.

Carney V. Kerley to be postmaster at Simpson, Ill., in place of C. V. Kerley. Incumbent's commission expires July 1, 1940.

John Wacker to be postmaster at Techny, Ill., in place of John Wacker. Incumbent's commission expired April 27, 1940.

Dominick J. Giacoma to be postmaster at Westville, Ill., in place of S. J. Ronchetto, resigned.

INDIANA

Clyde B. Oberlin to be postmaster at Butler, Ind., in place of C. B. Oberlin. Incumbent's commission expires June 25, 1940.

C. Dudley Watson to be postmaster at La Crosse, Ind., in place of F. G. Trinosky. Incumbent's commission expired January 20, 1940.

Jeannette Manifold to be postmaster at Mooreland, Ind., in place of Jeannette Manifold. Incumbent's commission expires July 1, 1940.

Albert E. Sewell to be postmaster at Pleasant Lake, Ind., in place of A. E. Sewell. Incumbent's commission expires June 8, 1940.

Guy R. Sears to be postmaster at Red Key, Ind., in place of G. R. Sears. Incumbent's commission expires June 8, 1940.

Fonzo Martin to be postmaster at Shelburn, Ind., in place of Fonzo Martin. Incumbent's commission expired April 24, 1940.

Elijah A. Gebhart to be postmaster at Warren, Ind., in place of E. A. Gebhart. Incumbent's commission expired April 24, 1940.

Dorothy B. Schirr to be postmaster at Westville, Ind., in place of D. B. Schirr. Incumbent's commission expired March 3, 1940.

James D. Arnold to be postmaster at Winslow, Ind., in place of J. D. Arnold. Incumbent's commission expires July 13, 1940.

IOWA

Raymond F. Sullivan to be postmaster at Afton, Iowa, in place of R. F. Sullivan. Incumbent's commission expires June 8, 1940.

George O. Smither to be postmaster at Anita, Iowa, in place of G. O. Smither. Incumbent's commission expired May 13, 1940.

Orren W. Swartfager to be postmaster at Ankeny, Iowa, in place of O. W. Swartfager. Incumbent's commission expired May 19, 1940.

Charles E. Malone to be postmaster at Atlantic, Iowa, in place of C. E. Malone. Incumbent's commission expired May 19, 1940.

William A. Fiester to be postmaster at Brandon, Iowa, in place of W. A. Fiester. Incumbent's commission expired July 1, 1939.

Anthony N. Huber to be postmaster at Calmar, Iowa, in place of A. N. Huber. Incumbent's commission expired May 19, 1940.

Joseph Benesh to be postmaster at Chelsea, Iowa, in place of Joseph Benesh. Incumbent's commission expires June 8, 1940.

Walter H. Eppens to be postmaster at Colesburg, Iowa, in place of W. H. Eppens. Incumbent's commission expires July 1, 1940.

Genevieve M. Lattin to be postmaster at Dakota City, Iowa, in place of G. M. Lattin. Incumbent's commission expires July 1, 1940.

Ora F. Ward to be postmaster at Dallas Center, Iowa, in place of O. F. Ward. Incumbent's commission expires June 19, 1940.

Samuel H. Sater to be postmaster at Danville, Iowa, in place of S. H. Sater. Incumbent's commission expires July 1, 1940.

Clifford A. Brause to be postmaster at Denver, Iowa, in place of C. A. Brause. Incumbent's commisison expires July 1, 1940.

A. George Ross to be postmaster at Doon, Iowa, in place of A. G. Ross. Incumbent's commission expired April 28, 1940.

Mark R. Doud to be postmaster at Douds, Iowa, in place of M. R. Doud. Incumbent's commission expired March 4, 1940.

J. Louis Buss to be postmaster at Dow City, Iowa, in place of J. L. Buss. Incumbent's commission expires June 25, 1940.

Kathryn D. Finn to be postmaster at Dumont, Iowa, in place of K. D. Finn. Incumbent's commission expired April 28, 1940.

Gerald Elias Faust to be postmaster at Earlville, Iowa, in place of G. E. Faust. Incumbent's commission expired April 28, 1940.

William A. Greenwood to be postmaster at Farley, Iowa, in place of W. A. Greenwood. Incumbent's commission expires June 25, 1940.

Paul E. Morf to be postmaster at Fredericksburg, Iowa, in place of P. E. Morf. Incumbent's commission expired April 28, 1940.

Juanita Springer to be postmaster at Fremont, Iowa, in place of Jaunita Springer. Incumbent's commission expires July 1, 1940.

Mabel J. Arnold to be postmaster at Garden Grove, Iowa, in place of M. J. Arnold. Incumbent's commission expired March 13, 1940.

Audra R. Howe to be postmaster at Greenfield, Iowa, in place of A. R. Howe. Incumbent's commission expires June 25, 1940.

Clesson E. Woodward to be postmaster at Griswold, Iowa, in place of C. E. Woodward. Incumbent's commission expired May 19, 1940.

Vern U. Waters to be postmaster at Havalock, Iowa, in place of V. U. Waters. Incumbent's commission expires June 23, 1940.

Palmer H. Hedges to be postmaster at Hedrick, Iowa, in place of P. H. Hedges. Incumbent's commission expires June 8, 1940.

Fritz H. Schulte to be postmaster at Kensett, Iowa, in place of F. H. Schulte. Incumbent's commission expires July 1, 1940.

William E. Lovett to be postmaster at Lake City, Iowa, in place of W. E. Lovett. Incumbent's commission expired May 19, 1940.

J. B. Wood to be postmaster at Lenox, Iowa, in place of J. B. Wood. Incumbent's commission expired May 13, 1940.

Frank W. Baumgardner to be postmaster at Livermore, Iowa, in place of F. W. Baumgardner. Incumbent's commission expired April 3, 1940.

Bonar B. Wood to be postmaster at Logan, Iowa, in place of E. H. Ross. Incumbent's commission expired March 13, 1940.

Wallace G. Strabala to be postmaster at Lohrville, Iowa, in place of W. G. Strabala. Incumbent's commission expired May 19, 1940.

Edward J. Rutenbeck to be postmaster at Lowden, Iowa, in place of E. J. Rutenbeck. Incumbent's commission expired May 19, 1940.

Harold H. Johnson to be postmaster at Mondamin, Iowa, in place of H. H. Johnson. Incumbent's commission expires June 19, 1940.

Grace Ryan to be postmaster at Neola, Iowa, in place of Grace Ryan. Incumbent's commission expired May 13, 1940.

William H. Theisen to be postmaster at Palmer, Iowa, in place of W. H. Theisen. Incumbent's commission expired July 19, 1939.

Viola F. McCartan to be postmaster at Pocahontas, Iowa, in place of V. F. McCartan. Incumbent's commission expired April 24, 1940.

Verne L. Heskett to be postmaster at Pulaski, Iowa, in place of V. L. Heskett. Incumbent's commission expired May 13, 1940.

George W. Trowbridge to be postmaster at Stuart, Iowa, in place of G. W. Trowbridge. Incumbent's commission expires June 1, 1940.

Linus L. Powers to be postmaster at Vail, Iowa, in place of L. L. Powers. Incumbent's commission expired April 28, 1940.

Charles E. Lynch to be postmaster at Waucoma, Iowa, in place of C. E. Lynch. Incumbent's commission expired April 28, 1940.

Eugene T. Alcorn to be postmaster at West Union, Iowa, in place of E. T. Alcorn. Incumbent's commission expired May 13, 1940.

Ella M. Hames to be postmaster at Williams, Iowa, in place of E. M. Hames. Incumbent's commission expires June 23, 1940.

KANSAS

Arden S. Morris to be postmaster at Elmdale, Kans., in place of A. S. Morris. Incumbent's commission expires July 1, 1940.

William T. Flowers to be postmaster at Havensville, Kans., in place of W. T. Flowers. Incumbent's commission expires July 1, 1940.

Christie C. Doughty to be postmaster at Leon, Kans., in place of A. M. Kistler, resigned.

Loraine Champlin to be postmaster at Long Island, Kans., in place of Loraine Champlin. Incumbent's commission expires July 1, 1940.

Walter E. Moore to be postmaster at Manhattan, Kans., in place of W. E. Moore. Incumbent's commission expires June 25, 1940.

Barton W. Wherritt to be postmaster at Montezuma, Kans., in place of B. W. Wherritt. Incumbent's commission expired May 19, 1940.

Ralph W. New to be postmaster at Norcatur, Kans., in place of R. W. New. Incumbent's commission expires June 1, 1940.

George D. Brooks to be postmaster at Oil Hill, Kans., in place of G. D. Brooks. Incumbent's commission expired May 19, 1940.

Harry F. Sloan to be postmaster at Selden, Kans., in place of H. F. Sloan. Incumbent's commission expired January 20, 1940.

KENTUCKY

Lela O. Sanders to be postmaster at Burgin, Ky., in place of L. O. Sanders. Incumbent's commission expires July 1, 1940.

Richard L. Kerr to be postmaster at Campbellsville, Ky., in place of J. P. Gozder, resigned.

Elizabeth R. Smith to be postmaster at Irvine, Ky., in place of E. R. Smith. Incumbent's commission expired April 24, 1940.

Samuel J. Spalding to be postmaster at Lebanon, Ky., in place of S. J. Spalding. Incumbent's commission expired March 21, 1940.

Hattie D. Wood to be postmaster at Millersburg, Ky., in place of H. D. Wood. Incumbent's commission expires June 25, 1940.

Joe Keefe to be postmaster at Nicholasville, Ky., in place of Joe Keefe. Incumbent's commission expired May 9, 1940.

Thomas E. Moss to be postmaster at Outwood, Ky., in place of B. F. Turner. Incumbent's commission expired March 6, 1938.

Vallette McClintock to be postmaster at Paris, Ky., in place of Vallette McClintock. Incumbent's commission expires June 17, 1940.

Charles W. Mitchell to be postmaster at Wilmore, Ky., in place of C. W. Mitchell. Incumbent's commission expires June 25, 1940.

LOUISIANA

Frank Reed to be postmaster at Basile, La., in place of Frank Reed. Incumbent's commission expires July 1, 1940.

Frank B. Kennedy to be postmaster at Cameron, La., in place of F. B. Kennedy. Incumbent's commission expired April 3, 1940.

Ruth W. Monroe to be postmaster at Elton, La., in place of R. W. Monroe. Incumbent's commission expired May 1, 1940.

Rene Tate to be postmaster at Eunice, La., in place of Rene Tate. Incumbent's commission expires June 3, 1940.

Richard Broussard to be postmaster at Iota, La., in place of Richard Broussard. Incumbent's commission expires July 1, 1940.

H. Ernest Benefiel to be postmaster at Kenner, La., in place of H. E. Benefiel. Incumbent's commission expired March 18, 1940.

Henry P. Sobert to be postmaster at Labadieville, La., in place of H. P. Sobert. Incumbent's commission expires July 1, 1940.

Mary K. Roark to be postmaster at Marion, La., in place of M. K. Roark. Incumbent's commission expired April 24, 1940.

Raleigh Leslie Wyble to be postmaster at Melville, La., in place of R. L. Wyble. Incumbent's commission expired May 22, 1940.

Mark D. Sutherlin to be postmaster at Oberlin, La., in place of M. D. Sutherlin. Incumbent's commission expires June 16, 1940.

Hubert A. Duhe to be postmaster at Reserve, La., in place of H. A. Duhe. Incumbent's commission expired March 18, 1940.

Bertha S. Jarnagin to be postmaster at Rochelle, La., in place of B. S. Jarnagin. Incumbent's commission expires June 16, 1940.

MAINE

Argie S. Henderson to be postmaster at Brownville, Maine, in place of A. S. Henderson. Incumbent's commission expired May 18, 1940.

Ivadell Gaddis to be postmaster at East Machias, Maine, in place of Ivadell Gaddis. Incumbent's commission expired May 13, 1940.

William G. Chamberlain to be postmaster at Fort Fairfield, Maine, in place of W. G. Chamberlain. Incumbent's commission expired May 29, 1940.

Eleric F. Michaud to be postmaster at Island Falls, Maine, in place of E. F. Michaud. Incumbent's commission expires June 17, 1940.

Arthur H. Carpenter to be postmaster at Limerick, Maine, in place of A. H. Carpenter. Incumbent's commission expired February 4, 1940.

Herbert L. Osgood to be postmaster at Mattawamkeag, Maine, in place of H. L. Osgood. Incumbent's commission expired February 4, 1940.

Eugene P. Lowell to be postmaster at South Paris, Maine, in place of E. P. Lowell. Incumbent's commission expired April 21, 1940.

Maynard A. Lucas to be postmaster at Union, Maine, in place of M. A. Lucas. Incumbent's commission expired April 21, 1940.

MARYLAND

M. Elizabeth Acree to be postmaster at Capitol Heights, Md., in place of Isabelle Chaney, resigned.

Morgan H. Baldwin to be postmaster at Crownsville, Md. Office became Presidential July 1, 1939.

Benjamin F. Johnson to be postmaster at Denton, Md., in place of B. F. Johnson. Incumbent's commission expires June 16, 1940.

Clayton F. Porter to be postmaster at Greensboro, Md., in place of C. F. Porter. Incumbent's commission expires July 15, 1940.

Herbert A. Wrenn to be postmaster at Lanham, Md. Office became Presidential July 1, 1939.

Alfred F. Gough to be postmaster at Leonardtown, Md., in place of A. F. Gough. Incumbent's commission expires June 2, 1940.

Charles E. Nikirk, Jr., to be postmaster at Middleton, Md., in place of C. R. Holter. Incumbent's commission expired January 17, 1939.

Ethel W. Gallagher to be postmaster at Preston, Md., in place of E. W. Gallagher. Incumbent's commission expires July 13, 1940.

Madeleine L. Bosher to be postmaster at Riverdale, Md., in place of M. L. Bosher. Incumbent's commission expires June 2, 1940.

Elizabeth E. Wood to be postmaster at Sandy Spring, Md., in place of E. E. Wood. Incumbent's commission expires June 16, 1940.

Basil Frank Dorsey to be postmaster at Woodbine, Md., in place of B. F. Dorsey. Incumbent's commission expires June 1, 1939.

MASSACHUSETTS

Richard E. O'Brien to be postmaster at Ballard Vale, Mass., in place of R. E. O'Brien. Incumbent's commission expired April 24, 1940.

Thornton S. Swift to be postmaster at Bourne, Mass., in place of T. S. Swift. Incumbent's commission expired January 23, 1940.

Joseph J. Durkin to be postmaster at Brookfield, Mass., in place of M. M. Daley, deceased.

Leon H. Thorner to be postmaster at Clifton, Mass., in place of L. H. Thorner. Incumbent's commission expired May 22, 1940.

Evelyn B. Merritt to be postmaster at Egypt, Mass. Office made Presidential July 1, 1939.

Marguerite H. Mallahy to be postmaster at Fiskdale, Mass., in place of M. H. Mallahy. Incumbent's commission expired January 23, 1940.

Osgood L. Small to be postmaster at Sagamore, Mass., in place of O. L. Small. Incumbent's commission expires June 25, 1940.

Lester J. Murphy to be postmaster at Wrentham, Mass., in place of L. J. Murphy. Incumbent's commission expires May 22, 1940.

MICHIGAN

Joseph L. Winslow to be postmaster at Alma, Mich., in place of J. L. Winslow. Incumbent's commission expires June 19, 1940.

Anne C. Parsal to be postmaster at Benton Harbor, Mich, in place of A. C. Parsal. Incumbent's commission expired April 21, 1940.

Roy W. Maddock to be postmaster at Benzonia, Mich., in place of R. W. Maddock. Incumbent's commission expired April 24, 1940.

Mildred C. Smead to be postmaster at Blanchard, Mich., in place of M. C. Smead. Incumbent's commission expired April 24, 1940.

Cecil Plum to be postmaster at Bloomingdale, Mich., in place of Cecil Plum. Incumbent's commission expired April 24, 1940.

Gustav H. Knaak, Jr. to be postmaster at Bridgman, Mich., in place of G. H. Knaak, Jr. Incumbent's commission expired March 10, 1940.

Benjamin J. Beasley to be postmaster at Britton, Mich., in place of B. J. Beasley. Incumbent's commission expires July 1, 1940.

Mabel E. Sbonek to be postmaster at Cedar, Mich., in place of M. E. Sbonek. Incumbent's commission expires July 1, 1940.

Francis Jackson to be postmaster at Clare, Mich., in place of Francis Jackson. Incumbent's commission expired April 21, 1940.

George T. Deline to be postmaster at Columbiaville, Mich., in place of G. T. Deline. Incumbent's commission expires July 1, 1940.

Floyd Harrison to be postmaster at Conklin, Mich., in place of Floyd Harrison. Incumbent's commission expires July 1, 1940.

Joseph J. Voice to be postmaster at Fife Lake, Mich., in place of J. J. Voice. Incumbent's commission expires June 23, 1940.

Clara Woodruff to be postmaster at Freeland, Mich., in place of Clara Woodruff. Incumbent's commission expired March 10, 1940.

Robert H. Edsall to be postmaster at Greenville, Mich., in place of R. H. Edsall. Incumbent's commission expired April 21, 1940.

William C. Radue to be postmaster at Hermansville, Mich., in place of W. C. Radue. Incumbent's commission expired April 24, 1940.

Mabel L. McCallum to be postmaster at Hesperia, Mich., in place of M. L. McCallum. Incumbent's commission expires June 1, 1940.

Harry E. Penninger to be postmaster at Lake Linden, Mich., in place of H. E. Penninger. Incumbent's commission expired March 21, 1940.

Guy D. Thompson to be postmaster at Lapeer, Mich., in place of G. D. Thompson. Incumbent's commission expired January 20, 1940.

Irwell Brody to be postmaster at Lawton, Mich., in place of Irwell Brody. Incumbent's commission expired March 10, 1940.

Hazel B. Erickson to be postmaster at Le Roy, Mich., in place of H. B. Erickson. Incumbent's commission expired April 27, 1940.

Frederick J. Hosley to be postmaster at Lowell, Mich., in place of F. J. Hosley. Incumbent's commission expired May 9, 1940.

Ross W. Gilliom to be postmaster at McBain, Mich., in place of R. W. Gilliom. Incumbent's commission expires June 16, 1940.

Bert Lowery to be postmaster at Manchester, Mich., in place of Bert Lowery. Incumbent's commission expired April 24, 1940.

Clifford A. Gardner to be postmaster at Middleville, Mich., in place of C. A. Gardner. Incumbent's commission expired March 10, 1940.

George Rundle to be postmaster at Olivet, Mich., in place of George Rundle. Incumbent's commission expired May 9, 1940.

Charles J. Schmidlin to be postmaster at Rockland, Mich., in place of C. J. Schmidlin. Incumbent's commission expires July 1, 1940.

Norman C. Reindel to be postmaster at Roseville, Mich., in place of N. C. Reindel. Incumbent's commission expires June 25, 1940.

Jarvis C. Chamberlin to be postmaster at St. Clair, Mich., in place of J. C. Chamberlin. Incumbent's commission expired March 21, 1940.

Jake D. Bowers to be postmaster at Sodus, Mich., in place of J. D. Bowers. Incumbent's commission expires July 1, 1940.

Lydia T. Bing to be postmaster at Tawas City, Mich., in place of L. T. Bing. Incumbent's commission expired April 24, 1940.

Franc S. Gillespie to be postmaster at Tecumseh, Mich., in place of F. S. Gillespie. Incumbent's commission expires June 23, 1940.

Georgia I. Holdship to be postmaster at Ubly, Mich., in place of G. I. Holdship. Incumbent's commission expires June 25, 1940.

Wilbur E. Davis to be postmaster at Vandalia, Mich., in place of W. E. Davis. Incumbent's commission expired March 10, 1940.

John R. Crumb to be postmaster at Watervliet, Mich., in place of J. R. Crumb. Incumbent's commission expired March 10, 1940.

Charles J. McCauley to be postmaster at Wells, Mich., in place of C. J. McCauley. Incumbent's commission expired March 21, 1940.

MINNESOTA

Lloyd A. Ahles to be postmaster at Albany, Minn., in place of L. A. Ahles. Incumbent's commission expired February 5, 1940.

George Enblom to be postmaster at Atwater, Minn., in place of George Enblom. Incumbent's commission expired March 25, 1940.

Jesse M. Pierce to be postmaster at Austin, Minn., in place of L. B. Hanna. Incumbent's commission expired February 5, 1940.

Walter F. Gregory to be postmaster at Backus, Minn., in place of W. F. Gregory. Incumbent's commission expires June 25, 1940.

Edward E. Vig to be postmaster at Belgrade, Minn., in place of E. E. Vig. Incumbent's commission expired Feburary 5, 1940.

William F. Priem to be postmaster at Bellingham, Minn., in place of W. F. Priem. Incumbent's commission expires June 25, 1940.

Glen M. Squires to be postmaster at Blackduck, Minn., in place of G. M. Squires. Incumbent's commission expires June 1, 1940.

Ethel F. Lerohl to be postmaster at Bovey, Minn., in place of E. F. Lerohl. Incumbent's commission expires June 8, 1940.

Arthur Elmer Imsdahl to be postmaster at Brooten, Minn., in place of A. E. Imsdahl. Incumbent's commission expired February 5, 1940.

William P. Tanner to be postmaster at Cannon Falls, Minn., in place of W. P. Tanner. Incumbent's commission expires June 17, 1940.

Mae Kirwin to be postmaster at Chokio, Minn., in place of Mae Kirwin. Incumbent's commission expires June 20, 1940.

Lucy M. Berczyk to be postmaster at Clarissa, Minn., in place of L. M. Berczyk. Incumbent's commission expired February 5, 1940.

A. William Danielson to be postmaster at Cyrus, Minn., in place of A. W. Danielson. Incumbent's commission expired February 13, 1940.

Anna Beatrice Perrizo to be postmaster at Delavan, Minn., in place of Beatrice Perrizo. Incumbent's commission expired May 19, 1940.

Fred A. Gerber to be postmaster at Donnelly, Minn., in place of F. A. Gerber. Incumbent's commission expires June 20, 1940.

Edward B. Anderson to be postmaster at Elbow Lake, Minn., in place of E. B. Anderson. Incumbent's commission expires June 1, 1940.

Christopher J. Keefe to be postmaster at Eyota, Minn., in place of C. J. Keefe. Incumbent's commission expires July 15, 1940.

Herbert G. Carlson to be postmaster at Gibbon, Minn., in place of H. G. Carlson. Incumbent's commission expires July 7, 1940.

Emma Jones to be postmaster at Gonvick, Minn., in place of Emma Jones. Incumbent's commission expires June 20, 1940.

Marvin B. Scheele to be postmaster at Hamburg, Minn. Office made Presidential July 1, 1938.

Hans P. Becken to be postmaster at Hanska, Minn., in place of H. P. Becken. Incumbent's commission expires June 20, 1940.

Earl P. Brackin to be postmaster at Herman, Minn., in place of E. P. Brackin. Incumbent's commission expires June 20, 1940.

Joseph M. Hilger to be postmaster at Iona, Minn., in place of J. M. Hilger. Incumbent's commission expires June 1, 1940.

Robert J. Mayheu to be postmaster at Ironton, Minn., in place of R. J. Mayheu. Incumbent's commission expires June 1, 1940.

Hugh T. Kennedy to be postmaster at Kerkhoven, Minn., in place of L. O. Sundeen, resigned.

Joseph A. Schneider to be postmaster at Le Roy, Minn., in place of G. A. Boyd, deceased.

Herman H. Krenzke to be postmaster at Lewiston, Minn., in place of H. H. Krenzke. Incumbent's commission expired February 5, 1940.

Mary Davidson to be postmaster at Middle River, Minn., in place of Mary Davidson. Incumbent's commission expires June 18, 1940.

Walter B. Gislason to be postmaster at Minneota, Minn., in place of W. B. Gislason. Incumbent's commission expires June 8, 1940.

Andrew J. Tauer to be postmaster at Morgan, Minn., in place of A. J. Tauer. Incumbent's commission expires June 25, 1940.

Raymond R. Keefe to be postmaster at Morton, Minn., in place of R. R. Keefe. Incumbent's commission expires June 20, 1940.

Alvin A. Ogren to be postmaster at New London, Minn., in place of A. A. Ogren. Incumbent's commission expired April 29, 1940.

Frank S. Averill to be postmaster at Ogilvie, Minn., in place of F. S. Averill. Incumbent's commission expired March 12, 1939.

Henry Falardeau to be postmaster at Oklee, Minn., in place of Henry Falardeau. Incumbent's commission expires June 1, 1940.

Raymond C. Faust to be postmaster at Pierz, Minn., in place of R. C. Faust. Incumbent's commission expires June 8, 1940.

Chester C. Gallagher to be postmaster at Plainview, Minn., in place of C. C. Gallagher. Incumbent's commission expires June 8, 1940.

Werl Smith Harris to be postmaster at Proctor, Minn., in place of W. S. Harris. Incumbent's commission expired April 30, 1940.

T. Donald O'Connor to be postmaster at Renville, Minn., in place of T. D. O'Connor. Incumbent's commission expires June 8, 1940.

Leonard J. Reiland to be postmaster at Rollingstone, Minn., in place of Leonard Reiland. Incumbent's commission expires June 1, 1940.

Edward C. Keefe to be postmaster at Rose Creek, Minn., in place of E. C. Keefe. Incumbent's commission expires July 1, 1940.

Leslie R. Lisle to be postmaster at Royalton, Minn., in place of L. R. Lisle. Incumbent's commission expired August 1, 1939.

Arthur Oliver Skalbeck to be postmaster at Sacred Heart, Minn., in place of A. O. Skalbeck. Incumbent's commission expires June 20, 1940.

Harold L. Holmes to be postmaster at St. Hilaire, Minn., in place of H. L. Holmes. Incumbent's commission expires July 1, 1940.

John F. Hawley to be postmaster at Sandstone, Minn., in place of J. F. Hawley. Incumbent's commission expires July 13, 1940.

William R. Kleven to be postmaster at Sebeka, Minn., in place of W. R. Kleven. Incumbent's commission expired February 5, 1940.

Delwin B. Clabaugh to be postmaster at Swanville, Minn., in place of D. B. Clabaugh. Incumbent's commission expired June 18, 1939.

Ida M. Chiabotti to be postmaster at Tower, Minn., in place of I. M. Chiabotti. Incumbent's commission expires June 25, 1940.

Alvi Hanord Auenson to be postmaster at Ulen, Minn., in place of A. H. Auenson. Incumbent's commission expired February 5, 1940.

MISSISSIPPI

Grant Hamilton to be postmaster at Hollandale, Miss., in place of T. F. Kirkpatrick, removed.

William W. Armstrong to be postmaster at Leland, Miss., in place of W. W. Armstrong. Incumbent's commission expires June 17, 1940.

Lucy R. Park to be postmaster at Merigold, Miss., in place of L. R. Park. Incumbent's commission expires June 20, 1940.

Cornelius V. Thurmond to be postmaster at Mound Bayou, Miss., in place of C. V. Thurmond. Incumbent's commission expired April 24, 1940.

Della A. Myers to be postmaster at Newhebron, Miss., in place of D. A. Myers. Incumbent's commission expired January 20, 1940.

DeWitt D. McEachern to be postmaster at Ruleville, Miss., in place of D. D. McEachern. Incumbent's commission expires June 2, 1940.

Ethel B. Comegys to be postmaster at Scott, Miss. Office became Presidential July 1, 1939.

John R. Trimm to be postmaster at Tishomingo, Miss., in place of J. R. Trimm. Incumbent's commission expires July 1, 1940.

MISSOURI

Avery L. Dreier to be postmaster at Billings, Mo., in place of A. L. Dreier. Incumbent's commission expired January 28, 1940.

Lettie H. Turner to be postmaster at Chilhowee, Mo., in place of L. H. Turner. Incumbent's commission expires June 25, 1940.

John A. Byler to be postmaster at Ethel, Mo., in place of J. A. Byler. Incumbent's commission expired January 23, 1940.

Earl L. Smithson to be postmaster at Exeter, Mo., in place of E. L. Smithson. Incumbent's commission expired March 13, 1940.

John Earle Lyons to be postmaster at Higginsville, Mo., in place of J. E. Lyons. Incumbent's commission expired March 13, 1940.

Charles V. Hollady to be postmaster at Ilmo, Mo., in place of C. V. Hollady. Incumbent's commission expires June 8, 1940.

John G. May to be postmaster at Jasper, Mo., in place of J. G. May. Incumbent's commission expires June 25, 1940.

P. Gilbert Utley to be postmaster at Knobnoster, Mo., in place of P. G. Utley. Incumbent's commission expires June 25, 1940.

William A. Bickel to be postmaster at Lockwood, Mo., in place of W. A. Bickel. Incumbent's commission expired August 27, 1939.

Joseph E. Soutee to be postmaster at Marionville, Mo., in place of J. E. Soutee. Incumbent's commission expired January 28, 1940.

John Y. Glasscock to be postmaster at Maysville, Mo., in place of J. Y. Glasscock. Incumbent's commission expired April 27, 1940.

Edward T. Rousselot to be postmaster at Noel, Mo., in place of E. T. Rousselot. Incumbent's commission expires June 25, 1940.

Edgar E. Smith to be postmaster at Owensville, Mo., in place of E. E. Smith. Incumbent's commission expired April 24, 1940.

Willie L. Hixson to be postmaster at Ozark, Mo., in place of W. L. Hixson. Incumbent's commission expires June 8, 1940.

Leonard V. Parker to be postmaster at Plattsburg, Mo., in place of L. V. Parker. Incumbent's commission expires June 8, 1940.

Walter J. Paschal to be postmaster at Verona, Mo., in place of W. J. Paschal. Incumbent's commission expires June 25, 1940.

Grailie B. Windes to be postmaster at Washburn, Mo., in place of G. B. Windes. Incumbent's commission expired January 28, 1940.

MONTANA

Esther M. Evenson to be postmaster at Broadview, Mont., in place of E. M. Evenson. Incumbent's commission expires June 2, 1940.

Orion A. Tellifero to be postmaster at Browning, Mont., in place of O. A. Tellifero. Incumbent's commission expires June 2, 1940.

Alfred T. James to be postmaster at Cascade, Mont., in place of A. T. James. Incumbent's commission expires June 2, 1940.

Lars E. Kodalen to be postmaster at Dodson, Mont., in place of L. E. Kodalen. Incumbent's commission expires July 1, 1940.

Frank H. McLean to be postmaster at Fairfield, Mont., in place of F. H. McLean. Incumbent's commission expires July 1, 1940.

William C. MacCallum to be postmaster at Geraldine, Mont., in place of W. C. MacCallum. Incumbent's commission expires June 2, 1940.

Mollie B. Cameron to be postmaster at Martinsdale, Mont. Office became Presidential July 1, 1939.

Ralph W. Brown to be postmaster at Missoula, Mont., in place of Stephen Nuerenberg. Incumbent's commission expired February 7, 1940.

Phyllis M. Crockford to be postmaster at Sweetgrass, Mont., in place of P. M. Crockford. Incumbent's commission expires June 1, 1940.

NEBRASKA

Gotthilf I. Pfeiffer to be postmaster at Arlington, Nebr., in place of G. I. Pfeiffer. Incumbent's commission expires June 1, 1940.

Lyman G. Gake to be postmaster at Beaver Crossing, Nebr., in place of L. G. Gake. Incumbent's commission expires June 18, 1940.

Margaret H. Andersen to be postmaster at Belgrade, Nebr., in place of M. H. Andersen. Incumbent's commission expires June 17, 1940.

Eli V. Balthazor to be postmaster at Campbell, Nebr., in place of E. V. Balthazor. Incumbent's commission expired May 19, 1940.

Gustav A. Koza to be postmaster at Clarkson, Nebr., in place of G. A. Koza. Incumbent's commission expired March 4, 1940.

Henry C. Paquin to be postmaster at Dakota City, Nebr., in place of H. C. Paquin. Incumbent's commission expired February 7, 1940.

Harry H. Row to be postmaster at Davenport, Nebr., in place of H. H. Row. Incumbent's commission expired April 28, 1940.

James A. Sears to be postmaster at Decatur, Nebr., in place of J. A. Sears. Incumbent's commission expires June 17, 1940.

Frank J. Srb to be postmaster at Dodge, Nebr., in place of F. J. Srb. Incumbent's commission expires June 1, 1940.

Floyd S. Worthing to be postmaster at Elm Creek, Nebr., in place of F. S. Worthing. Incumbent's commission expires June 1, 1940.

Edna M. Miner to be postmaster at Ericson, Nebr., in place of E. M. Miner. Incubent's commission expired February 7, 1940.

Emma G. Grabenstein to be postmaster at Eustis, Nebr., in place of E. G. Grabenstein. Incumbent's commission expires June 25, 1940.

Frank Ainsworth to be postmaster at Exeter, Nebr., in place of Frank Ainsworth. Incumbent's commission expires July 7, 1940.

Patrick J. Mullin to be postmaster at Friend, Nebr., in place of P. J. Mullin. Incumbent's commission expired May 19, 1940.

Roy W. Bruce to be postmaster at Genoa, Nebr., in place of R. W. Bruce. Incumbent's commission expires June 18, 1940.

Irene L. Barrett to be postmaster at Greeley, Nebr., in place of I. L. Barrett. Incumbent's commission expires June 25, 1940.

Renald A. Tobey to be postmaster at Gresham, Nebr., in place of R. A. Tobey. Incumbent's commission expired January 23, 1940.

Mary Dolores Jensen to be postmaster at Hampton, Nebr., in place of Dolores Jensen. Incumbent's commission expires June 1, 1940.

George B. McDowell to be postmaster at Hardy, Nebr., in place of G. B. McDowell. Incumbent's commission expires June 17, 1940.

Peter P. Braun to be postmaster at Henderson, Nebr., in place of P. P. Braun. Incumbent's commission expires July 1, 1940.

Isaac D. Brownfield to be postmaster at Hershey, Nebr., in place of I. D. Brownfield. Incumbent's commission expired April 28, 1940.

Bertha E. Busch to be postmaster at Howells, Nebr., in place of B. E. Busch. Incumbent's commission expires June 19, 1940.

Fredrick F. Thomas to be postmaster at Linwood, Nebr., in place of F. F. Thomas. Incumbent's commission expires June 18, 1940.

Arthur H. Barstler to be postmaster at Nebraska City, Nebr., in place of A. H. Barstler. Incumbent's commission expires June 18, 1940.

Orval C. Myers to be postmaster at Nelson, Nebr., in place of O. C. Myers. Incumbent's commission expires July 13, 1940.

Frank H. Kroger to be postmaster at Newcastle, Nebr., in place of F. H. Kroger. Incumbent's commission expires June 18, 1940.

Kitty Hennessy to be postmaster at Platte Center, Nebr., in place of Kitty Hennessy. Incumbent's commission expired March 4, 1940.

George H. Woolman to be postmaster at Republican City, Nebr., in place of G. H. Woolman. Incumbent's commission expires June 1, 1940.

Inez Gail Lidgard to be postmaster at Stockville, Nebr., in place of I. G. Lidgard. Incumbent's commission expires July 1, 1940.

Leonard L. Rook to be postmaster at Stratton, Nebr., in place of L. L. Rook. Incumbent's commission expires June 19, 1940.

George L. Everett to be postmaster at Union, Nebr. Office became Presidential July 1, 1939.

Elmer L. Bunger to be postmaster at Upland, Nebr., in place of E. L. Bunger. Incumbent's commission expires June 1, 1940.

Harry E. Christensen to be postmaster at Valparaiso, Nebr., in place of H. E. Christensen. Incumbent's commission expires June 19, 1940.

J. Marie D. Rutledge to be postmaster at Wilsonville, Nebr., in place of J. M. D. Rutledge. Incumbent's commission expires June 1, 1940.

Russell N. Linkswiler to be postmaster at Winnebago, Nebr., in place of R. N. Linkswiler. Incumbent's commission expires June 1, 1940.

NEVADA

Isaac L. Stone to be postmaster at McGill, Nev., in place of I. L. Stone. Incumbent's commission expired May 22, 1940.

Effie M. Perry to be postmaster at Yerington, Nev., in place of E. M. Perry. Incumbent's commission expired May 9, 1940.

NEW HAMPSHIRE

Arthur A. Croteau to be postmaster at Marlboro, N. H., in place of A. A. Croteau. Incumbent's commission expired April 29, 1940.

Edward A. Davis to be postmaster at North Conway, N. H., in place of E. A. Davis. Incumbent's commission expired April 29, 1940.

Edward W. Clement to be postmaster at North Woodstock, N. H., in place of E. W. Clement. Incumbent's commission expires June 1, 1940.

Louis T. Pike to be postmaster at Pike, N. H., in place of L. T. Pike. Incumbent's commission expires June 1, 1940.

Charles L. McGinness to be postmaster at Troy, N. H., in place of C. L. McGinness. Incumbent's commission expired April 24, 1940.

NEW JERSEY

Walter K. Bittle to be postmaster at Berlin, N. J., in place of W. K. Bittle. Incumbent's commission expires June 16, 1940.

Lewis D. Smith, Jr., to be postmaster at Fort Hancock, N. J., in place of L. D. Smith, Jr. Incumbent's commission expires June 17, 1940.

Lottie A. Cubberley to be postmaster at Hamilton Square, N. J., in place of L. A. Cubberley. Incumbent's commission expired February 14, 1940.

Walter F. Hoagland to be postmaster at Kenilworth, N. J., in place of W. F. Hoagland. Incumbent's commission expired March 25, 1940.

Catherine S. E. Cullen to be postmaster at Millington, N. J., in place of C. S. E. Cullen. Incumbent's commission expired July 3, 1939.

Floyd Smith to be postmaster at Montville, N. J., in place of Floyd Smith. Incumbent's commission expired February 14, 1940.

Fred Heckel to be postmaster at Ridgefield Park, N. J., in place of Fred Heckel. Incumbent's commission expires June 20, 1940.

Julia B. Hoaern to be postmaster at Robbinsville, N. J. Office became Presidential July 1, 1939.

NEW YORK

Barthold C. Hadel to be postmaster at Amagansett, N. Y., in place of B. C. Hadel. Incumbent's commission expired January 20, 1940.

Agnes G. Polley to be postmaster at Andes, N. Y., in place of A. G. Polley. Incumbent's commission expired April 24, 1940.

Curtis Van Valkenburgh to be postmaster at Arkville, N. Y., in place of Curtis Van Valkenburgh. Incumbent's commission expired August 14, 1939.

Emma Reynolds to be postmaster at Brightwaters, N. Y., in place of Emma Reynolds. Incumbent's commission expired April 28, 1940.

Chester T. Burnett to be postmaster at Burdett, N. Y., in place of C. T. Burnett. Incumbent's commission expires July 1, 1940.

Albert J. Linehan to be postmaster at Canandaigua, N. Y., in place of J. C. Monahan. Incumbent's commission expired January 31, 1938.

Timothy B. Ryan to be postmaster at Chateaugay, N. Y., in place of T. B. Ryan. Incumbent's commission expires June 25, 1940.

Philip J. Dwyer to be postmaster at Chittenango, N. Y., in place of P. J. Dwyer. Incumbent's commission expired January 31, 1938.

Purdy A. Kinkaid to be postmaster at Cohocton, N. Y., in place of P. A. Kinkaid. Incumbent's commission expires June 25, 1940.

Melvin C. Bundy to be postmaster at Cooperstown, N. Y., in place of M. C. Bundy. Incumbent's commission expires June 25, 1940.

John H. S. Griffin to be postmaster at Delhi, N. Y., in place of J. H. S. Griffin. Incumbent's commission expired August 21, 1939.

Frank P. Morstatt to be postmaster at Garnerville, N. Y., in place of F. P. Morstatt. Incumbent's commission expired March 10, 1940.

Wilmarth J. Tuthill to be postmaster at Goshen, N. Y., in place of W. J. Tuthill. Incumbent's commission expired May 27, 1940.

Anna C. Allen to be postmaster at Groveland, N. Y., in place of A. C. Allen. Incumbent's commission expires June 25, 1940.

Sarah B. Keenan to be postmaster at Hague, N. Y., in place of S. B. Keenan. Incumbent's commission expired April 24, 1940.

Ethel M. Martin to be postmaster at Hamlin, N. Y., in place of E. M. Martin. Incumbent's commission expires July 1, 1940.

Rita McGoey to be postmaster at Hartsdale, N. Y., in place of Rita McGoey. Incumbent's commission expires June 17, 1940.

Antoinette Ducharme to be postmaster at Lyon Mountain, N. Y., in place of Antoinette Ducharme. Incumbent's commission expires June 25, 1940.

Albert A. Morse to be postmaster at Moravia, N. Y., in place of C. E. Miller, deceased.

Lewis N. S. Rockwell to be postmaster at Otisville, N. Y., in place of L. N. S. Rockwell. Incumbent's commission expired May 22, 1940.

Bernard H. Powers to be postmaster at Oyster Bay, N. Y., in place of B. H. Powers. Incumbent's commission expires June 20, 1940.

Eugene B. Gormley to be postmaster at Phoenicia, N. Y., in place of E. B. Gormley. Incumbent's commission expires June 25, 1940.

Frank P. Bakutis to be postmaster at Quogue, N. Y., in place of F. P. Bakutis. Incumbent's commission expired August 2, 1939.

Cecile G. Taylor to be postmaster at Sloatsburg, N. Y., in place of C. G. Taylor. Incumbent's commission expires June 25, 1940.

James J. Collins to be postmaster at Water Mill, N. Y., in place of J. J. Collins. Incumbent's commission expired August 21, 1939.

Oliver Townsend to be postmaster at West Coxsackie, N. Y., in place of Oliver Townsend. Incumbent's commission expired August 21, 1939.

Jack Batt to be postmaster at Woodmere, N. Y., in place of Jack Batt. Incumbent's commission expired April 28, 1940.

George M. Allen to be postmaster at Worcester, N. Y., in place of G. M. Allen. Incumbent's commission expired May 26, 1940.

NORTH CAROLINA

Jewell Ballentine to be postmaster at Varina, N. C., in place of Jewell Ballentine. Incumbent's commission expired July 1, 1939.

James Russell Wiggins to be postmaster at Wake Forest, N. C., in place of J. R. Wiggins. Incumbent's commission expired April 29, 1940.

NORTH DAKOTA

John Urbon Pavlik to be postmaster at Buffalo, N. Dak., in place of J. U. Pavlik. Incumbent's commission expired June 1, 1940.

Joseph M. Moen to be postmaster at Galesburg, N. Dak., in place of J. M. Moen. Incumbent's commission expires July 1, 1940.

Ethel E. Hall to be postmaster at Hettinger, N. Dak., in place of E. E. Hall. Incumbent's commission expires June 16, 1940.

Bernhard C. Hjelle to be postmaster at Mercer, N. Dak., in place of B. C. Hjelle. Incumbent's commission expires July 1, 1940.

Mary J. Dunbar to be postmaster at Souris, N. Dak., in place of M. J. Dunbar. Incumbent's commission expires June 16, 1940.

Alice G. Russell to be postmaster at Thompson, N. Dak., in place of Alice Russell. Incumbent's commission expires July 1, 1940.

Anna F. Jones to be postmaster at Verona, N. Dak., in place of A. F. Jones. Incumbent's commission expires July 1, 1940.

Mae Scollard to be postmaster at Watford City, N. Dak., in place of Mae Scollard. Incumbent's commission expires June 25, 1940.

OHIO

Leo V. Walsh to be postmaster at Barberton, Ohio, in place of L. V. Walsh. Incumbent's commission expired April 1, 1940.

Mary Costigan to be postmaster at Berlin Heights, Ohio, in place of Mary Costigan. Incumbent's commission expires July 13, 1940.

John L. Keener to be postmaster at Brookville, Ohio, in place of C. R. Hayes, resigned.

Alice B. Romie to be postmaster at Fort Loramie, Ohio, in place of A. B. Romie. Incumbent's commission expires July 1, 1940.

John D. Reed to be postmaster at Green Springs, Ohio, in place of J. D. Reed. Incumbent's commission expires June 18, 1940.

Henry Beuchat to be postmaster at Louisville, Ohio, in place of Henry Beuchat. Incumbent's commission expired April 25, 1940.

Sylvie E. Sovacool to be postmaster at Peninsula, Ohio, in place of S. E. Sovacool. Incumbent's commission expires July 1, 1940.

Paul M. Hawn to be postmaster at Pleasant Hill, Ohio, in place of P. M. Hawn. Incumbent's commission expires July 15, 1940.

Charles Calvin Myers to be postmaster at Risingsun, Ohio, in place of C. C. Myers. Incumbent's commission expires July 1, 1940.

Frank Thompson to be postmaster at Senecaville, Ohio, in place of Frank Thompson. Incumbent's commission expires July 1, 1940.

OKLAHOMA

Mart R. Sargent to be postmaster at Indiahoma, Okla., in place of M. R. Sargent. Incumbent's commission expires July 1, 1940.

Hope C. McGinty to be postmaster at Kiefer, Okla., in place of H. C. McGinty. Incumbent's commission expires June 18, 1940.

Jasper Hood to be postmaster at Kiowa, Okla., in place of Jasper Hood. Incumbent's commission expires June 18, 1940.

OREGON

Reginald C. Cooke to be postmaster at Oswego, Oreg., in place of R. C. Cooke. Incumbent's commission expired July 18, 1939.

Nealia G. Haven to be postmaster at Sweet Home, Oreg., in place of N. G. Haven. Incumbent's commission expires July 1, 1940.

Joseph R. DeJardin to be postmaster at Taft, Oreg., in place of J. R. DeJardin. Incumbent's commission expires July 1, 1940.

Louis Earl Hammer to be postmaster at Tillamook, Oreg., in place of L. E. Hammer. Incumbent's commission expires June 1, 1940.

PENNSYLVANIA

Palmer W. Kunkle to be postmaster at Alburtis, Pa., in place of W. P. B. Gery, deceased.

William Scott Rinedollar to be postmaster at Everett, Pa., in place of W. S. Rinedollar. Incumbent's commission expires June 3, 1940.

Ray A. Deck to be postmaster at Fredericksburg, Pa. Office became Presidential July 1, 1936.

Della M. Sullivan to be postmaster at Genesee, Pa., in place of D. M. Sullivan. Incumbent's commission expires June 20, 1940.

William J. Tye to be postmaster at Gordon, Pa., in place of W. J. Tye. Incumbent's commission expires July 1, 1940.

John J. Sheridan to be postmaster at Hawley, Pa., in place of J. J. Sheridan. Incumbent's commission expires June 25, 1940.

James E. Madigan to be postmaster at Houtsdale, Pa., in place of J. E. Madigan. Incumbent's commission expires July 15, 1940.

Leo A. Donahoe to be postmaster at McKees Rocks, Pa., in place of L. A. Donahoe. Incumbent's commission expired June 18, 1938.

John C. Rodgers to be postmaster at Marianna, Pa., in place of V. J. McCarty, removed.

Harry B. Wimer to be postmaster at Quarryville, Pa., in place of H. B. Wimer. Incumbent's commission expires June 20, 1940.

Robert E. Walley to be postmaster at Spring City, Pa., in place of R. E. Walley, Sr. Incumbent's commission expires June 3, 1940.

Mable L. Lake to be postmaster at Springville, Pa., in place of M. L. Lake. Incumbent's commission expires July 1, 1940.

L. Pearle Seep to be postmaster at Titusville, Pa., in place of R. E. Seep, resigned.

Claire C. Davis to be postmaster at West Alexander, Pa., in place of C. C. Davis. Incumbent's commission expires June 25, 1940.

PUERTO RICO

Adela Delpin to be postmaster at Fajardo, P. R., in place of Adela Delpin. Incumbent's commission expires June 17, 1940.

RHODE ISLAND

Peter L. Creighton to be postmaster at Harrisville, R. I., in place of P. L. Creighton. Incumbent's commission expires June 28, 1940.

SOUTH CAROLINA

Russell P. Barnett to be postmaster at Campobello, S. C., in place of R. P. Barnett. Incumbent's commission expires June 1, 1940.

Frank P. Bynum to be postmaster at Darlington, S. C., in place of T. E. Stokes. Incumbent's commission expired March 23, 1939.

Mamie C. Spears to be postmaster at Lamar, S. C., in place of M. C. Spears. Incumbent's commission expires June 18, 1940.

James H. Fox to be postmaster at Lexington, S. C., in place of J. H. Fox. Incumbent's commission expires June 25, 1940.

John W. Wilbanks to be postmaster at Union, S. C., in place of J. W. Wilbanks. Incumbent's commission expires July 13, 1940.

SOUTH DAKOTA

Charles P. Corcoran to be postmaster at Miller, S. Dak., in place of C. P. Corcoran. Incumbent's commission expires July 13, 1940.

Michael F. McGrath to be postmaster at Morristown, S. Dak., in place of M. F. McGrath. Incumbent's commission expires June 16, 1940.

Leroy F. Lemert to be postmaster at Spencer, S. Dak., in place of L. F. Lemert. Incumbent's commission expires June 16, 1940.

TENNESSEE

George V. Anderson to be postmaster at Gates, Tenn., in place of G. V. Anderson. Incumbent's commission expires July 1, 1940.

Charles C. Gore to be postmaster at Livingston, Tenn., in place of W. H. Boswell. Incumbent's commission expired August 27, 1939.

Otis K. Martin to be postmaster at McKenzie, Tenn., in place of O. K. Martin. Incumbent's commission expired August 12, 1939.

Hughes H. Hunt to be postmaster at Rives, Tenn., in place of H. H. Hunt. Incumbent's commission expires July 1, 1940.

TEXAS

Edward W. Ross to be postmaster at Arp, Tex., in place of J. O. Allen, removed.

George J. Bell to be postmaster at Aubrey, Tex., in place of G. J. Bell. Incumbent's commission expires July 1, 1940.

Charles M. Fagg to be postmaster at Blue Ridge, Tex., in place of C. M. Fagg. Incumbent's commission expires July 1, 1940.

J. Frank Weaver to be postmaster at Cumby, Tex., in place of J. F. Weaver. Incumbent's commission expires July 1, 1940.

Coin T. Seago to be postmaster at Gustine, Tex., in place of C. T. Seago. Incumbent's commission expires July 1, 1940.

C. Lola Hill to be postmaster at Highlands, Tex., in place of C. L. Hill. Incumbent's commission expires July 1, 1940.

Kate Moses to be postmaster at Keltys, Tex., in place of D. W. Thompson, resigned.

Ruth S. Marion to be postmaster at Kermit, Tex., in place of R. S. Marion. Incumbent's commission expires July 1, 1940.

Henry T. Peace to be postmaster at La Pryor, Tex., in place of H. T. Peace. Incumbent's commission expires July 1, 1940.

Cicero Harper to be postmaster at Moran, Tex., in place of Cicero Harper. Incumbent's commission expired May 19, 1940.

James M. Noble, Jr., to be postmaster at O'Donnell, Tex., in place of J. M. Noble, Jr. Incumbent's commission expires June 25, 1940.

Ida A. Stockburger to be postmaster at Oglesby, Tex., in place of I. A. Stockburger. Incumbent's commission expires July 1, 1940.

Curry H. Walker to be postmaster at Pampa, Tex., in place of C. H. Walker. Incumbent's commission expires June 25, 1940.

Corinne H. Sewell to be postmaster at Pearsall, Tex., in place of C. H. Sewell. Incumbent's commission expires June 25, 1940.

Anna L. Smith to be postmaster at Port Aransas, Tex. Office became Presidential July 1, 1939.

Naomi M. Lewis to be postmaster at Royalty, Tex., in place of N. M. Lewis. Incumbent's commission expires July 1, 1940.

UTAH

James W. Nielsen to be postmaster at Castlegate, Utah, in place of J. W. Nielsen. Incumbent's commission expires July 1, 1940.

Gilbert L. Janson to be postmaster at Cedar City, Utah, in place of G. L. Janson. Incumbent's commission expires June 25, 1940.

Fred H. Jones to be postmaster at Gunnison, Utah, in place of F. H. Jones. Incumbent's commission expires June 25, 1940.

Heber M. Rasband to be postmaster at Heber, Utah, in place of H. M. Rasband. Incumbent's commission expires June 25, 1940.

Eugene C. Gibson to be postmaster at Helper, Utah, in place of E. C. Gibson. Incumbent's commission expires June 20, 1940.

Alice M. Todd to be postmaster at Myton, Utah, in place of A. M. Todd. Incumbent's commission expires July 1, 1940.

VERMONT

Dora W. Brown to be postmaster at Lunenburg, Vt., in place of D. W. Brown. Incumbent's commission expired March 25, 1940.

VIRGINIA

Richard F. Hicks to be postmaster at Schuyler, Va., in place of R. F. Hicks. Incumbent's commission expires July 1, 1940.

WASHINGTON

Truman W. Chamberlain to be postmaster at Quincy, Wash., in place of T. W. Chamberlain. Incumbent's commission expires June 17, 1940.

Edward V. Pressentin to be postmaster at Rockport, Wash., in place of E. V. Pressentin. Incumbent's commission expires July 1, 1940.

James F. Brislawn to be postmaster at Sprague, Wash., in place of J. F. Brislawn. Incumbent's commission expired April 30, 1940.

WEST VIRGINIA

Nancy Bethel Martin to be postmaster at Belle, W. Va., in place of N. B. Martin. Incumbent's commission expires June 25, 1940.

Austin H. Elrick to be postmaster at Gormania, W. Va., in place of A. H. Elrick. Incumbent's commission expires July 1, 1940.

James T. Spahr to be postmaster at Kingwood, W. Va., in place of J. T. Spahr. Incumbent's commission expired January 29, 1939.

Edson Stout to be postmaster at Nutter Fort, W. Va., in place of Edson Stout. Incumbent's commission expires July 1, 1940.

James B. Shrewsbury to be postmaster at Princeton, W. Va., in place of J. B. Shrewsbury. Incumbent's commission expires June 17, 1940.

Lucien Edward Felty to be postmaster at Rowlesburg, W. Va., in place of L. E. Felty. Incumbent's commission expires July 15, 1940.

WISCONSIN

L. Paul Mundschau to be postmaster at Dousman, Wis., in place of L. P. Mundschau. Incumbent's commission expired March 12, 1940.

Leonard P. Sheehy to be postmaster at Ettrick, Wis., in place of L. P. Sheehy. Incumbent's commission expired April 28, 1940.

Leonard W. LaBerge to be postmaster at Stetsonville, Wis., in place of L. W. LaBerge. Incumbent's commission expires July 1, 1940.

WYOMING

Grace E. Lyon to be postmaster at Burns, Wyo., in place of G. E. Lyon. Incumbent's commission expires July 1, 1940.

Edmund P. Landers to be postmaster at Casper, Wyo., in place of E. P. Landers. Incumbent's commission expired April 2, 1940.

CONFIRMATIONS

Executive nominations confirmed by the Senate May 31 (legislative day of May 28), 1940

FARM CREDIT ADMINISTRATION

Albert G. Black, of Iowa, to be Governor of the Farm Credit Administration.

POSTMASTERS

COLORADO

Daniel B. Venable, Ault.
Bernard C. Killin, Kiowa.
Nea G. Gallegos, San Luis.
Leo F. Houston, Sugar City.
Mark S. Cole, Yampa.

INDIANA

Edward Bracher, Boonville.
William Henry Lynch, Boswell.
Roy L. Jones, Colfax.
Edward G. Arnold, Dubois.
Jacob De Groot, Highland.
Sylvester O. Kelly, Logansport.
Henry Harold Zollman, Medora.
Edward H. Scales, Petersburg.
Guy Dunlap, Poseyville.
Bernard J. McCaffery, South Bend.
Alonzo L. Rogers, Walkerton.

KENTUCKY

John B. Pendleton, Hardyville.
James C. Morris, Masonic Home.

LOUISIANA

Joseph C. Ballay, Buras.
Ethel T. Gauthier, Lake Arthur.
Lawrence S. Bourgeois, Schriever.

MARYLAND

Francis E. Thomas, Centerville.

MINNESOTA

William W. O'Malley, Le Sueur.

MISSOURI

Carl Richmond, Advance.
James W. Costello, Baring.
James G. Skidmore, Barnard.
Walter Fraser, Bolckow.
Benjamin F. Coleman, Center.
Victor F. Engelage, Chamois.
Clay C. Shelton, Clarkton.
George Petrus, Hermann.
Ruby M. Farr, Kingston.
Jesse F. Stevenson, Lees Summit.
George E. Scott, New Hampton.
Arch B. Young, Perry.
Theo. J. Quinn, St. Joseph.
Verna F. Whisner, Sarcoxie.
Edward P. Mullaley, Sedalia.
Marium Ethel Enyart, Stanberry.
Harley E. Church, Stockton.
John M. Earp, Versailles.
William R. Buche, Warrenton.

NEW YORK

Alberta J. Webber, Atlanta.
Joseph G. Mattes, Avon.
Henry E. Benedict, Broadalbin.
Milton B. Empie, Brownville.
John F. McGovern, Caledonia.
Ronald S. Kingston, Canaseraga.
Katherine M. Raps, Clarence Center.
George Leigh Dye, Cuba.
Henry A. Stecking, East Northport.
Raymond A. Switzer, Ebenezer.
Eva M. Wood, Elbridge.
Thomas N. Manion, Ferndale.
Alice L. Lyon, Fort Ann.
James T. McLaughlin, Glen Head.
John F. Richards, Hammondsport.
Abner B. Woodworth, Hensonville.
George J. Petith, Hillsdale.
Laura F. Howland, Hudson Falls.
William H. Toohey, Hurleyville.
Frederick W. Schadt, Jeffersonville.
Anna M. Shemet, Keene Valley.
Earl A. Guertin, Lakewood.
Walter E. Slattery, Lima.
Michael E. Murphy, Livonia.
Frank McBriarty, Loomis.
Katherine A. Slattery, Maryknoll.
Frederic F. Sheerin, Middletown.
William C. McRorie, Milford.
William McNeal, Montgomery.
Ralph S. Washington, Monticello.
William E. Mensing, Nassau.
Harriett H. Rundle, Odessa.
John Kenneth Hoffman, Old Forge.

J. Frederick Collins, Oriskany Falls.
Thomas A. Kenney, Ossining.
Katherine S. Wolosik, Peconic.
Victor S. Manchester, Petersburg.
George H. Stanton, Pine Bush.
James Earle Molyneux, Ransomville.
Irma R. Bennett, Ripley.
Maurice H. Fanning, Roxbury.
Timothy V. Sullivan, St. James.
George Arata, Sea Cliff.
Alice A. Sherman, Shelter Island.
Mary P. Mack, Shelter Island Heights.
Willis Meabon, Sherman.
Walter F. Herrling, Skaneateles.
E. Edward DeCamp, Smallwood.
Monte Yost, Springville.
Sarah C. Lounsbery, Stone Ridge.
William Cronin, Yonkers.

NORTH CAROLINA

Grover C. Haynes, Clyde.

OHIO

Marie Novotny Agee, Northfield.

OKLAHOMA

Ernest C. Morris, Drumright.
Lewis B. Rogers, Fort Gibson.
James W. Kincaid, Glencoe.
Ernest R. Davis, Keota.
Blanche Zoellner, Mountain View.
Eleanor Barnhill, Stringtown.
Thomas F. Lynch, Stroud.
James F. Nicholson, Talihina.
Lester F. Wray, Terral.
Roy C. Bennett, Vian.
Frank Bailey, Vinita.
Theodore H. Henderson, Wapanucka.
Sam Cunningham, Wellston.

WASHINGTON

Almon D. Hannan, Bothell.
Elliot Curry, Coleville.
Regina M. Mohrmann, Ferndale.
John M. Hurley, La Conner.
Esther H. Boaz, Manson.
Thomas Phil Hickman, Monroe.
Howard C. Roberts, Rosalia.
Alf Christian Willard, Stanwood

HOUSE OF REPRESENTATIVES

FRIDAY, MAY 31, 1940

The House met at 12 o'clock noon, and was called to order by the Speaker.

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

We praise Thee, O God, our heavenly Father upon earth, that Thou art still mindful of us. Whither shall we go from Thy Spirit? Or whither shall we flee from Thy presence? If we ascend into heaven, Thou art there. If we make our bed in the grave, behold Thou art there. If we take the wings of the morning and dwell in the uttermost parts of the sea, even there shalt Thine hand lead us and Thy right hand shall hold us; how precious, O Lord, are Thy thoughts of us. O spirit of purity and grace, make our hearts Thy dwelling place. O Master, so rich in divine goodness, fill us with Thy love for mercy and pity. Almighty God, what would become of us if Thou wert not our Father? Take us in the arms of Thy care; interpret to us Thy holy purpose, even if it be but faintly and dimly revealed. As the sound of music afar off, may we hear Thy voice from the glory of Thine habitation. We thank Thee, blessed Lord, that America, the beautiful, still remains the citadel of Christian faith, freedom, and of public and private decency. In the name of our Saviour. Amen.

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

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Frazier, its legislative clerk, announced that the Senate had passed without amendment a bill of the House of the following title:

H. R. 8429. An act for the relief of Maj. L. P. Worrall, and for other purposes.

The message also announced that the Senate had passed bills of the following titles, in which the concurrence of the House is requested:

S. 3115. An act to provide for the establishment and maintenance of an assay office at Helena, Mont.;

S. 3230. An act to provide for the general welfare through the construction of needed hospitals and grants to States and political subdivisions thereof for the construction, improvement, and enlargement of hospitals, and for other purposes; and

S. 3959. An act authorizing the Secretary of the Treasury to grant to the city of Fort Lauderdale, Fla., an easement or easements authorizing such city to construct and maintain a highway and utility facilities over the United States Coast Guard Reservation known as base 6 at Fort Lauderdale, Fla.

The message also announced that the Senate agrees to the amendments of the House to bills of the Senate of the following titles:

S. 920. An act conferring jurisdiction upon the United States District Court for the District of Montana to hear, determine, and render judgment upon the claim of the estate of Joseph Mihelich;

S. 1649. An act for the relief of Alan C. Winter, Jr., and Elizabeth Winter; and

S. 2083. An act conferring jurisdiction upon the United States District Court for the District of New Jersey to hear, determine, and render judgment upon the claims of Parker McKee, Sr., and Louise McKee.

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 8202) entitled "An act making appropriations for the Department of Agriculture for the fiscal year ending June 30, 1941, and for other purposes."

That the Senate agrees to the amendments of the House to the amendments of the Senate numbered 8, 12, and 13 to said bill;

That the Senate agrees to the amendment of the House to the amendment of the Senate numbered 110 with an amendment as follows: At the end of the matter inserted by said Senate amendment and before the period insert the following: "*Provided*, That there is hereby appropriated out of any money in the Treasury not otherwise appropriated for an additional amount for salaries and expenses of the Rural Electrification Administration, to be immediately available, including the objects specified in the foregoing paragraph and subject to the limitations therein, $600,000, of which amount not to exceed $23,000 may be transferred to the appropriation 'Printing and binding, Department of Agriculture, 1941'";

That the Senate disagrees to the amendments of the House to the amendments of the Senate numbered 44, 45, 95, 99, and 103 to said bill, and that it further insists upon said amendments; and

That the Senate asks a further conference with the House on the amendments in disagreement and appoints Mr. RUSSELL, Mr. HAYDEN, Mr. TYDINGS, Mr. BANKHEAD, Mr. SMITH, Mr. NYE, and Mr. MCNARY to be the conferees on the part of the Senate.

EXTENSION OF REMARKS

Mr. ALLEN of Pennsylvania. Mr. Speaker, I ask unanimous consent to extend my own remarks and to include therein a radio address delivered by David Beck, international representative of the teamsters' union.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. SATTERFIELD. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein an address delivered by my colleague the gentleman from Vermont [Mr. PLUMLEY] before the Virginia Federation of Women's Clubs.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. HARE asked and was given permission to revise and extend his own remarks.

ADJOURNMENT OVER

Mr. RAYBURN. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet on Monday next.

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

There was no objection.

THE EMBARGO AND AMERICAN NEUTRALITY

Mr. SCHULTE. 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. SCHULTE. Mr. Speaker, I ask unanimous consent to address the House for 1 minute, to revise and extend my remarks, and to include therein an editorial published in one of the leading papers in my district.

Mr. RICH. Mr. Speaker, reserving the right to object, and I shall not, I take this opportunity to notify the House that the Public Printer has asked the Committee on Appropriations for $450,000 to continue publication of the CONGRESSIONAL RECORD. This gives us a little realization of the cost of publishing these articles that are placed in the Appendix. I do not direct these remarks to the gentleman from Indiana but to the House generally.

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

There was no objection.

Mr. SCHULTE. Mr. Speaker, about 5 months ago the Members of this Congress were deluged with telegrams, letters, and petitions asking them under no consideration to vote to lift the embargo against the sale of munitions of war to the Allies except under the terms of cash on the barrelhead. A great many newspapers throughout the country, particularly certain papers in the city of Chicago, were behind this movement not to allow any of the belligerents any supplies of any kind whatsoever.

In the meantime a flood of propaganda has emanated from across the ocean, and it is peculiar to see how the public mind at this time has reacted, as will be seen from the following editorial, which was written by one of the most prominent editors in the State of Indiana, a man whose views go a long way in influencing the people of the State of Indiana, one of the highly regarded citizens of the city of Gary. There is no doubt in my mind that in this editorial he has expressed the opinion of hundreds of thousands of people throughout the United States, who are willing to do everything at this particular time with the exception of sending American boys across the pond.

The editorial I refer to follows:

TIME IS HERE FOR GREAT DECISION IF AMERICA IS TO AFFECT COURSE OF WAR

A large number of Americans have believed from the start of the war that the United States might get in it if the Allies were in danger of defeat. However, it was felt that such a possibility would not arise for a year or so and we would have plenty of time to make our decision.

But in view of the extreme gravity of the turn of the fighting in France and Belgium, the need of making a decision arises now. For unless the entire support of this Nation is quickly thrown into the balance, there is danger the scales will be tipped against the Allies in the very near future.

Indeed, the danger is so great that even our help may not stave off a German victory. It may be that we cannot start to produce and ship the needed supplies before the French have been defeated and England ruined. The question for us to answer and answer now is this:

Does the prospect of German victory, which probably means a world ruled by Hitler and the inhuman barbarism he typifies, permit us to remain at peace?

It all depends, as we have said many times, on what the American people want. If they are satisfied to remain in the United States and accept whatever standard of life fate may give us and at the same time feel no responsibility for what goes on anywhere in the world, then we should let the Allies go and permit Hitler to rule the earth.

But is that what we want? The American people know today that it is not. It has taken the invasion of neutrals, the near defeat of the French and British, and the now almost incomprehensible, yet clear, picture of the triumph of barbarism to convince us that there are values in this world much higher than peace.

There is no doubt that the American people are vitally interested in this struggle. They know it. But do they know they must decide between a strained neutrality or nonbelligerency and war?

We are now at the stage of a strained neutrality. Yesterday Wendell Willkie had reached an advanced stage for a Republican candidate for the Presidency. He said he favored our Government conferring with France and England to find out what they need. Mr. Willkie is moving rapidly toward war, even though he is opposed now to sending American troops to Europe.

There is reason to believe our Government has already conferred with those nations and is sending any available supplies, and now a council of national defense is meeting to expand our munitions production.

But that probably will not be enough to save France and Britain. In all probability only a national effort can do that. As the result of such an effort, a great deal of help could be flowing toward Europe in a very short time, despite our unpreparedness. Some supplies could be produced very rapidly and much that we could send would fill a very great need, either in the battle line or back of it.

Henry Ford estimated yesterday that his plant alone could turn out 1,000 fighting planes a day after 6 months' preparation. That may be an overestimation, but we have no doubt we could produce astonishing results with this Nation engaged in the one business of helping to win this war.

The American industrial system is so vastly superior to the 1917 system that we can feel quite certain the long delay in getting started would not occur again. We could not use 1,000 planes a day, but who doubts that the Ford plant and the General Motors plants alone could turn out planes and tanks to supply a great army in an extremely short period?

But it is not only supplies the Allies must have. Right now they need moral support more than airplanes and tanks. Their morale is low. The war has gone against them and they are in danger, not only of widespread death and destruction but of utter, overwhelming defeat.

The knowledge that the United States has stepped forth to their support to save civilization from the black night of barbarism would not only renew their strength and their belief in their own powers to resist, but the announcement that we had taken our stand against Hitler would ring like a bell of freedom throughout the now slipping and spineless neutral world.

And that announcement would resound through Germany as the knell of Nazi hopes. Germany seems united behind Hitler, but millions of Germans don't like him and would desert him at the first crack in his good fortune. They remember what America did in the last war and they would fear we can do the same thing again.

And then think what a declaration of war would mean to Mussolini and the Italian people. They don't want to fight this country. Mussolini will not attack France if Italians knew that in doing so they are also attacking us.

The time has come to act if we expect to affect the decision now being made on the battlefield. If we wait a month or two months, it may be too late. No fairy godmother is protecting the democracies today. They must protect themselves, and the only way we can protect our civilization and our freedom is through a decision that is not delayed. If we wait, the Allies are probably lost. If we go to their aid, they probably can be saved.

DEPARTMENT OF AGRICULTURE APPROPRIATION BILL, 1941

Mr. CANNON of Missouri. Mr. Speaker, the bill (H. R. 8202) making appropriations for the Department of Agriculture for the fiscal year ending June 30, 1941, and for other purposes, has been returned by the Senate and is now on the Speaker's table.

I ask unanimous consent that the House agree to the amendment of the Senate to the amendment of the House to the amendment of the Senate numbered 110; insist upon its amendments to the amendments of the Senate numbered 44, 45, 95, 99, and 103; further insist upon its disagreement to the amendments of the Senate numbered 17, 20, 21, 37, 39, 41, 42, 43, 60, 61, 65, 66, and 105; that the House agree to the further conference requested by the Senate; and that the Chair appoint the conferees on the part of the House.

Mr. DIRKSEN. Mr. Speaker, reserving the right to object, and I shall not, as I understand the import of the gentleman's motion it is to further insist upon all matters with which the House is in disagreement with the Senate and to agree only in

respect of the $60,000,000 provision for the Rural Electrification Administration, together with an additional $600,000 of administrative funds.

Mr. CANNON of Missouri. We are agreeing to the amendment offered by the Senate to the Rural Electrification Administration amendment providing an appropriation for administrative funds. We are otherwise taking the same position on the remaining amendments taken by the House in the original disagreement when the bill was first sent to conference.

The SPEAKER. Is there objection to the request of the gentleman from Missouri? [After a pause.] The Chair hears none, and appoints the following conferees: Messrs. CANNON of Missouri, TARVER, and LAMBERTSON.

EXTENSION OF REMARKS

Mr. SNYDER. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein an address made to the West Point Cadets.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

LABOR UNREST IN SHIPYARDS

Mr. BARDEN of North Carolina. 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. BARDEN of North Carolina. Mr. Speaker, I view with a great deal of alarm the headlines in this morning's Washington Post which read as follows:

FIRST BLOW TO DEFENSE PLANS

The country was confronted last night with its first strike in a key industry in the defense program only a few days after President Roosevelt had voiced confident hope that such difficulties would be averted. Union employees of the Federal Shipbuilding & Dry Dock Co., where 2 destroyers and 2 cruisers are under construction for the Navy, voted today to strike at midnight in a move affecting 6,000 workmen.

John Dempsey, national vice president and president of Local 16, Industrial Union of Maritime & Shipworkers of America (C. I. O.), said 5,000 workers at a meeting in nearby Jersey City voted overwhelmingly to strike after he and two other leaders had urged them to delay action pending further negotiations.

WORKERS ASKING A 10 CENT AN HOUR INCREASE

Dempsey said the leaders would support the men. Secretary of the Navy Edison was quite correct when he issued the statement "We cannot have trouble of this sort in these times." However, I would go further and say that we should not tolerate trouble of this sort in these times. I wonder if the C. I. O. covets the questionable honor of being branded by public opinion as the first to unfurl the "fifth columnist" flag?

Congress and the President are rushing in every way possible legislation that would enable the United States to provide necessary and adequate means of defense. Ships, arms, guns, tanks, and ammunition, for this, Congress is called upon to appropriate money and levy taxes to raise this money. We are, and wisely so, using figures showing normal cost of production; and now the C. I. O. at Kearny, N. J., 6,000 of them, have walked out and quit work on 2 destroyers and 2 cruisers because their demand for 10 cents per hour increase in wages was refused. The more profitable we make war the greater our chances are for having war. The good name of labor should be protected against such a blot, and racketeer leaders should be told where to head in. If we are facing a national emergency and we are, then patriotism and love of country should not be discarded or be placed in No. 2 position.

[Here the gavel fell.]

STRIKES

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

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

There was no objection.

Mr. COX. Mr. Speaker, supplementing what the gentleman from North Carolina has just said, I would like to say that to strike against the Government or essential production for the Government in time of stress is in fact treason, and ought to be so declared by law. I hope that the Committee on the Judiciary will see fit to examine this subject and in its wisdom report a bill dealing with just such situations.

Mr. MICHENER. Has the gentleman introduced any resolution?

Mr. HOFFMAN. I have one.

[Here the gavel fell.]

EXTENSION OF REMARKS

Mr. ENGEL. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein an address by Dr. Harold M. Dorr, assistant professor of political science of the University of Michigan.

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

There was no objection.

Mr. ANDERSON of California. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein a statement from the War Department.

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

There was no objection.

Mr. COLE of New York. Mr. Speaker, I ask unanimous consent to insert in the Appendix of the RECORD an article appearing in the press this morning.

The SPEAKER. Is there objection to the request of the gentleman from New York [Mr. COLE]?

There was no objection.

ASSISTANCE TO THE RED CROSS

Mr. COLE of New York. Mr. Speaker, I ask unanimous consent to proceed for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from New York [Mr. COLE]?

There was no objection.

Mr. COLE of New York. Mr. Speaker, there are millions of people in this country who are distressed and living under undesirable and deplorable conditions, but however bad those conditions may be they are not as bad as the conditions under which millions of people in Europe are now forced to live due to the ravages of war. This Government has in warehouses and stockrooms throughout the country millions of bales of cotton, thousands of bushels of wheat and corn, tons of dried fruits, all those things that go to sustain life and which are so sorely needed by the war refugees.

I have today introduced a resolution authorizing the Government to turn over to the American Red Cross $25,000,000 worth of those products for distribution in Europe. I hope the Committee on Agriculture will give it the immediate and favorable consideration which is characteristic of the generous and charitable American heart. [Applause.]

[Here the gavel fell.]

EXTENSION OF REMARKS

Mr. THOMAS F. FORD. Mr. Speaker, I ask unanimous consent to revise and extend my own remarks in the RECORD and to include two tables which I personally prepared.

The SPEAKER. Is there objection to the request of the gentleman from California [Mr. THOMAS F. FORD]?

There was no objection.

Mr. COFFEE of Washington. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein a letter signed by a Washington, D. C., mother on the subject of world peace.

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

There was no objection.

Mrs. NORTON. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include a letter received from the Secretary of Labor and also an editorial in this morning's Post.

The SPEAKER. Is there objection to the request of the gentlewoman from New Jersey [Mrs. NORTON]?

There was no objection.

Mr. SMITH of Ohio. Mr. Speaker, I ask unanimous consent to insert in the RECORD an editorial from a Bucyrus, Ohio, newspaper.

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

There was no objection.

Mr. CASE of South Dakota. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include a brief editorial from the Lead (S. Dak.) Daily Call.

The SPEAKER. Is there objection to the request of the gentleman from South Dakota [Mr. CASE]?

There was no objection.

Mr. ANGELL. Mr. Speaker, I ask unanimous consent to revise and extend my own remarks in the RECORD and to include therein a radio address delivered by myself.

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

There was no objection.

PREVENTING NATIONAL DEFENSE

Mr. HOFFMAN. Mr. Speaker, I ask unanimous consent to proceed for 1 minute and to revise and extend my own remarks in the RECORD.

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

There was no objection.

Mr. HOFFMAN. Mr. Speaker, supplementing what was just said by the gentleman from North Carolina [Mr. BARDEN], permit me to call your attention to this headline in today's press, "British Labor United—Determined To Win War."

Listen to and consider and let those who claim to represent labor in this country read again and consider these authorized statements of British labor:

This is not the Tories' war. It is labor's war—a people's war. * * *

Hitler's concept is that the people exist for the Government. Ours is that the Government should be of, by, and for the people. Abraham Lincoln might well be the patron saint of British labor, for his brand of democracy runs strong in our ideals of statecraft.

* * * * * * *

Wars made by mere governments are easily lost, but a war backed by an entire free people can end only in victory. * * *

The fact that British labor has voluntarily given up benefits which it took us a hundred years to win proves how much in earnest we are. We are working unlimited hours, 7 days a week, and doing it gladly.

Capital is giving up all its war profits and labor is pulling its full share of the load without thought of increased pay. We refuse to take advantage of the situation to force higher wages or win advantages, even where these are long overdue.

We refuse to do anything that might in any degree imperil the cause for which the Allies are fighting—for that cause is really ours.

There are no racketeer leaders in British labor. We do not say that to reflect upon the American labor movement, which we know is inspired by ideals as high as ours. But apparently the rank and file of American labor has not been able to keep some unworthy men who are not really workers from gaining power in their movement. It is fortunate for us that this has not happened here, for confidence in our leaders is one great factor in enabling British workers to get unanimously behind the war effort.

* * * * * * *

British labor thoroughly understands the position of the United States. We don't want America to come into the war. We don't need American manpower. But we do need American planes and materials in vast quantity, and we do want America's moral support.

British labor hopes that American labor will answer our appeal.

Quite true, these United States are not now engaged in a war. We do not propose to become involved in a war. But we have determined that, come what will, we shall not be found unprepared.

So well prepared must we be to protect our Nation that even a madman will not dare to attack us. To accomplish that end we must in this country have cooperation; put an end to the Government's assault upon business; to the internecine strife in labor.

The seriousness of our situation; the impossibility of preparing to defend ourselves, if present conditions continue, is demonstrated by another headline showing the attitude of labor in at least some instances. This is the headline from a morning paper:

Wage Dispute Ties Up Work on Two Cruisers—Two Destroyers.

Then follows the statement:

The country was confronted last night with its first strike in a key industry in the defense program.

Another paper carries this statement:

Strike is voted at yard making four United States warships. Kearny shipbuilding tie-up authorized by C. I. O. may halt $43,500,000 work.

The strike was authorized by 5,000 members of the Industrial Union of Marine and Shipbuilding Workers of America, Local 16, a C. I. O. affiliate, and will affect 6,700 of its members.

The union is asking a flat increase of 10 cents an hour in the pay of its men who now receive from 62½ cents an hour to $1 an hour. As one of the reasons for the strike, the workers state that the proposed tax for national defense will impose a further burden upon them. Their share of that tax will be but a few cents per week.

C. I. O. workers in the plant of the Timken-Detroit Axle Co., making axles for gun carriages, have given notice that they intend to strike.

Never can we prepare for national defense if the C. I. O. is to be permitted to hold up production of warships, of munitions of war.

Matthew Woll, vice president of the A. F. of L., called attention to the danger when he said, with reference to the appointment of Sidney Hillman, C. I. O. vice president, to the Advisory Commission on National Defense:

What the President has done is to put the entire vast problem of employment under the defense program in the hands of a representative of a minority faction, riddled with Communists, and engaged in making war upon more than 4,000,000 members of the American Federation of Labor.

In response to the statement of the gentleman from Georgia [Mr. COX], permit me to add that I am introducing a bill to end this intolerable situation, which is but a part of the movement of the "fifth column" to, from within, open the door, make easy, and pave the way for a foreign invader. The bill is as follows:

A bill to promote the national defense and to eliminate certain oppressive labor practices affecting the national-defense program, and for other purposes

Be it enacted, etc., That this act may be cited as the "Non-Interference With National Defense Act of 1940."

TITLE I

SECTION 1. (a) The Congress hereby finds that the violation of contracts of employment by those engaged in the production of things intended for use in national defense; the unfair use of pickets in places where things intended for use in national defense are being produced; the interference with the right to work in places where things intended for use in national defense are being produced; and the delay or stoppage of the construction of products designed or intended for use in the national defense.

(1) Causes and tends to provoke acts of violence, breaches of the peace, and destruction of property;

(2) Hinders and delays preparations for national defense; and

(3) Endangers the safety of our Nation.

SEC. 2. All persons engaging in employment in any place where anything is being produced for the United States or for any agency or department thereof, or for any individual, association, partnership, corporation, or group, and intended for use by the United States or any agency thereof in national defense, shall be required to enter into a contract of employment with the United States, or the department or agency, or individual, association, partnership, corporation, or group producing such thing intended for use in national defense, which contract shall contain a statement fixing the hours of work, the wage to be received, the duration of the employment, and a further provision that the terms of such contract shall not be altered without the consent of the Federal Government or of some person duly authorized by the executive or other department of the Government, or the consent of the individual, association, partnership, corporation, or group entering into such contract.

SEC. 3. It shall be deemed an oppressive labor practice for any person to violate the terms of any such contract under which he is employed in any place referred to in section 2 of this act, or to interfere with the performance by any person of any work in such a place.

SEC. 4. It shall be unlawful to violate any of the terms of the contract described in section 2 or to interfere, directly or indirectly,

with any person in the performance of his obligation under such a contract; or to prevent by force or by show of force or by threat or coercion any person from working in any place referred to in section 2.

SEC. 5. Any person violating any of the provisions of this act shall, upon conviction thereof, be subject to a fine of not more than $1,000 or imprisonment for not more than 6 months, or both.

[Here the gavel fell.]

CALL OF THE HOUSE

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

The SPEAKER. Evidently a quorum is not present.

Mr. COX. 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. 136]

Alexander	Cooley	Kilburn	Schwert
Andersen, H. Carl	Darrow	Kirwan	Scrugham
Andresen, A. H.	Delaney	Lemke	Shafer, Mich.
Austin	Douglas	McGranery	Smith, Ill.
Ball	Fenton	McLeod	Sparkman
Barnes	Fernandez	Mansfield	Starnes, Ala.
Bolles	Fish	Marshall	Sullivan
Bradley, Mich.	Flaherty	Merritt	Sweeney
Bradley, Pa.	Flannagan	Moser	Taylor
Brewster	Folger	Myers	Thomas, N. J.
Brown, Ohio	Grant, Ala.	Osmers	Thorkelson
Buckley, N. H.	Guyer, Kans.	Pace	Tibbott
Byrne, N. Y.	Hall, Edwin A.	Patrick	Vinson, Ga.
Byron	Hart	Randolph	Wallgren
Caldwell	Harter, N. Y.	Reece, Tenn.	Walter
Camp	Harter, Ohio	Risk	Whelchel
Cartwright	Hinshaw	Rockefeller	White, Idaho
Casey, Mass.	Hook	Sabath	White, Ohio
Celler	Izac	Sacks	Wood
Claypool	Jarman	Schaefer, Ill.	
Connery	Johns	Schuetz	

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

Further proceedings under the call were dispensed with.

EXTENSION OF REMARKS

Mr. COLE of Maryland asked and was given permission to extend his own remarks in the RECORD.

AMENDMENT OF FEDERAL HOME LOAN BANK ACT, HOME OWNERS' LOAN ACT OF 1933, AND TITLE IV OF THE NATIONAL HOUSING ACT

Mr. COX. Mr. Speaker, by direction of the Committee on Rules I call up House Resolution 280 and ask its immediate consideration.

The Clerk read the resolution, as follows:

House Resolution 280

Resolved, That 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 H. R. 6971, a bill to amend the Federal Home Loan Bank Act, Home Owners' Loan Act of 1933, title IV of the National Housing Act, and for other purposes, and all points of order against said bill are hereby waived. That after general debate, which shall be confined to the bill and continue not to exceed 2 hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Banking and Currency, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the consideration of the bill for amendment the Committee shall rise and report the bill to the House with such amendments as may have been adopted and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit, with or without instructions.

Mr. COX. Mr. Speaker, of the 60 minutes allowed for the discussion of the resolution I yield 30 minutes to the gentleman from Illinois [Mr. ALLEN], to be in turn yielded by him.

Mr. Speaker, I yield 6 minutes to the gentleman from Alabama [Mr. STEAGALL].

Mr. STEAGALL. Mr. Speaker, this bill seeks to liberalize and enlarge the service that may be rendered home borrowers of the Nation by the home-loan banks. It will be remembered that the Home Loan Bank System was established in 1932 in an effort to meet the difficulties that had developed with respect to home financing and the general demonetization in the real-estate market of the Nation. I have never understood why leaders in the banking and financial world should have undertaken to treat real estate as a stepchild at the door of lending institutions. Our real estate, our soil, is so fundamental in the production of all the essentials of life and happiness that I have always entertained the view that our banking institutions should be more liberal in the recognition of real-estate securities offered for consideration, and that ample machinery should have been established long ago for protecting real-estate values and maintaining stability of real-estate values. These values are vastly important in their bearing upon our entire economic structure.

The Federal Home Loan Bank System was established to accomplish these ends. The act grew out of the unhappy experiences of the years immediately prior to the passage of that law. The bill before us seeks to enlarge that service by liberalizing the provisions for accommodation of members with home mortgages as security. I am not going to undertake to review every provision of the bill, but that is one.

A provision of the bill which is of supreme importance would permit the Secretary of the Treasury to purchase the obligations of the banks. The Home Loan Bank System had a capital originally of $125,000,000, subscribed by the Treasury of the United States. That capital has been increased by accumulation of ownership on the part of borrowers to $163,000,000. The banks have loaned over $600,000,000 since the establishment of the system. Collections have been made which have reduced the amount of loans now outstanding to about $140,000,000.

The System has operated without a dollar of loss and has paid annual dividends on the stock purchased by the Treasury amounting to a return substantially as high as the average rate paid by the Treasury upon its obligations. The Home Loan Bank System has resulted in a reduction of the interest rate to its borrowers from 7 and 8 percent to between 4 and 5 percent. In some sections of the country before the enactment of the Home Loan Bank Act the interest rate ran up to 9 percent and sometimes more. The Home Loan Bank System has accomplished vast benefits in the reduction of these rates, and has contributed largely toward the improvement of real-estate values and the stability of the real-estate market in the United States.

We contemplate by this bill a reduction in the charge against participating institutions, which is amply justified by the record, which shows that the Federal Savings and Loan Insurance Corporation has made a profit of $22,000,000 after sustaining all its losses up to this time. Therefore, we propose to reduce the rate from one-eighth to one-twelfth with the right to reassess in case of necessity.

It is provided that the Treasury will purchase the obligations of the home-loan banks, this arrangement being similar to that which exists with reference to the obligations of the Reconstruction Finance Corporation and other similar institutions where the Treasury purchases their obligations.

The legislation embodies another vitally important step in the administration's program of social security in its broadest sense—a program to protect the savings of citizens of small and moderate income and to insure them possession of their homes in the face of any crisis the future may bring. The principal feature of the bill is the provision authorizing the Secretary of the Treasury to buy debentures of the Federal Home Loan Bank System and the Federal Savings and Loan Insurance Corporation whenever, in his judgment, such purchases conform to and will promote sound public policy.

There is nothing revolutionary in this proposal. The Treasury already is authorized to support the Federal Reserve and the member institutions which comprise that System; it is now authorized to provide resources through which the Federal Deposit Insurance Corporation can assure the safety of deposits in commercial banks. The bill before us today seeks to give this same protection to the small savers and investors who entrust their savings to thrift and home-financing institutions.

There is no call in this bill for new Government expenditures. The Federal Home Loan Bank System bears its own expenses and pays its own way. Under ordinary circumstances, the system is more than self-sufficient. But, while it has no trouble in raising credit funds by the sale of its

debentures in ordinary times—every issue thus far has been oversubscribed—in a crisis the bank system would have to look elsewhere for buyers. In such a crisis, the only purchaser of its debentures would be the Federal Government itself.

There is no more risk involved here than in the authorization to the Treasury to support the Federal Reserve. The only support the Federal Home Loan Bank System needs is the assurance of liquid funds when good collateral is frozen during a period of economic depression. This assurance would be provided by the passage of the legislation now before us. The assurance will enable the banks to market its securities through private channels.

The other provisions of the bill are directed toward making the Federal Home Loan Bank System a more effective credit reservoir. They permit of a wider range of investments. They broaden the use of mortgages as collateral; permit the acceptance of mortgages amounting to more than $20,000 and mortgages on multiple dwellings. They would, for instance, make mortgages insured by the Federal Housing Administration eligible as collateral and in this way they would bring to an end the anomalous situation which sees bank system members forbidden to extend credit on many mortgages insured by F. H. A.

Essentially, the bill before us is an attempt to perfect the legislation which we inaugurated 8 years ago. The bank system was established in 1932, when home-financing institutions and home owners throughout the country were in desperate straits. With no credit reserves to fall back upon, the institutions were helpless to save themselves and helpless to extend aid even to home owners who offered sound collateral.

The legislation we passed in 1932 has not resulted in a perfect bank system by any means. We realize that while we have established a pattern that will suffice in normal times, we have failed to fortify the system for periods of economic stress. We realize that steps must be taken so that the savings held by institutions of the bank system will be available to their owners in times of necessity; that those institutions must be enabled to draw upon the national credit to preserve their own sound assets and extend leniency to their debtors if a crisis should arise. This bill will afford that protection and assurance.

May I briefly point out and explain the condition that calls for this action?

The savings and loan associations and other thrift institutions which comprise the bank system have financed practically half the small homes of this country. In this task they have used the savings of workers, small-business men, housewives, and children. Thus these institutions have had two coordinated purposes: One, providing sound credit for the construction, purchase, repair, modernization, and refinancing of homes; the other, developing thrift through systematic savings and conserving the use of the capital of their communities by providing a safe investment with a fair return for savings already accumulated.

These institutions provide for the purchase of homes through small monthly payments; it is their desire that every person who executes a mortgage shall eventually own a home. It is their desire to extend leniency in troubled times, because they know that their borrowers—average American home owners—will "come through" if given a fair chance.

But the home-financing institutions which do not have a credit reserve have no choice in times of economic stress. They are compelled to do either of two things: to foreclose on hard-pressed, delinquent mortgagors, or to deny their investors the privilege of withdrawing their savings at a time when those savings are most needed.

We have established a bank system which provides adequate credit for any expansion in home building the future is likely to bring. It has helped build institutions which today are doing $100,000,000 of home financing every month, bringing home ownership to thousands on thousands of families of small income who never would be able to purchase a home through any other means. It has provided a safe refuge for the savings of millions of our people.

But the system is not bulwarked against the period of crisis. That is why this legislation is needed. If it is enacted, the regional banks of the system would have a market for their debentures, an ample supply of funds to serve their member institutions in any circumstances. It will do more than provide safety in time of panic; it might well prevent panic itself. It is fear that worse may come that often turns an ordinary emergency into an extraordinary one. The knowledge that the Treasury stood back of the banks and that the bank system could, under any condition, dispose of its debentures and provide an adequate supply of funds, would reassure every individual and concern interested in real estate and home financing and would avert threatened upheaval.

If we had had on the statute books in 1930 the existing bank system, bulwarked by the additional legislation we now know is necessary and which is now before us, there would have been no need for the Home Owners' Loan Corporation in 1932 and 1933. There would have been foreclosures, it is true, for there are always victims who cannot be saved from such a catastrophe. But those with sound equities in their homes would have been carried over to better times, and the savings of those who financed them would have been safe. There would have been no wholesale dispossession of home owners and no panic in the real-estate market, to add to the economic disaster which engulfed the whole Nation.

Why should we deny the 4,000 institutions of the bank system the same protection that is accorded the commercial-bank members of the Federal Reserve System? This bill is for the protection of the vast number of workers and small-business people of the Nation, and the security afforded is the soundest known to the financial world.

We are called on here to extend protection to a great group of American citizens. Of the 51,000,000 savings accounts in this country, between 65 and 75 percent are in amounts less than $1,000, and between 30 and 40 percent are less than $100. A great many of these savings accounts, it is true, are already protected through the legislation granted to safeguard commercial banks. This legislation merely extends similar protection to others in the same group.

Investors in savings and loan associations seek to guard against illness and old age, or to give their children a start in life. Home seekers who finance their homes through such institutions are making the most important investment of their lives. Together, they constitute the most solid and substantial group of citizens of which this country can boast.

We seek here no Government appropriation, no class legislation, no allotment, no favor. We merely ask that the same protection be afforded them that already has been afforded other investors and property owners. This legislation is not in their interest alone, for no segment of the financial structure of our country can stand by itself; no economic structure can withstand a mortgage and real-estate market collapse in a nation where the home-mortgage debt alone is $18,000,000,000.

The Roosevelt administration embarked on an era of security-for-all long before that term became applied to a few special bills. Whatever criticism the administration has aroused, every Member of this Congress knows that no political party or faction dares challenge the basic social legislation that has been enacted here. The bill now before you offers another basic statute vital to six and one-half million savers and home owners, and it affects, in some measure, the lives of perhaps 20,000,000 of our people.

I could make an appeal to the very groups which have backed the minority report against this bill—asking them, in the name of common sense, to protect the home-mortgage and real-estate market in defense of their own larger interests. But I prefer to make the appeal in the broader sense, that the Congress which has extended protection to business

and industry and to citizens in every walk of life, to the aged, the blind, the unemployed, cannot fail to grant safeguards to those whose life savings are invested in homes.

The bill will have your full and thoughtful consideration. It deserves your overwhelming support.

I wish to read, in conclusion, a letter I received this morning from the Federal Loan Administrator, Jesse Jones:

FEDERAL LOAN AGENCY,
Washington, May 31, 1940.

Hon. HENRY B. STEAGALL,
Chairman, Banking and Currency Committee, House of Representatives, Washington, D. C.

DEAR CHAIRMAN STEAGALL: While I am not familiar with the details of H. R. 6971, Chairman Fahey and Director Hancock assure me that the provisions of the bill are desirable. I think it is generally conceded that the service rendered our home owners and savers of moderate means by the Federal Home Loan banks and their members, the Federal Savings and Loan Associations, and the Federal Savings and Loan Insurance Corporation, is essential to the welfare of our country, and the laws under which they operate should be improved as experience develops the need for it.

I understand Mr. LUCE, member of your committee, expects to offer an amendment to the bill, which, I am informed, is acceptable to the Home Loan Bank Board.

Under these circumstances, as Federal Loan Administrator, I recommend the bill be passed.

Sincerely yours,

JESSE H. JONES, *Administrator.*

I hope there will be no hesitancy on the part of the House in adopting the proposed rule and giving the membership an opportunity to pass on this important legislation. [Applause.]

[Here the gavel fell.]

Mr. ALLEN of Illinois. Mr. Speaker, I yield 15 minutes to the gentleman from Michigan [Mr. WOLCOTT].

Mr. WOLCOTT. Mr. Speaker, this probably is the most important and far-reaching bill which has been on the floor of this House for years. I do not believe that Mr. Jesse Jones has given very much consideration to this bill. It is noted that he starts out his letter, in which he allegedly approves the bill, by this statement:

> While I am not familiar with the details of H. R. 6971, Chairman Fahey and Director Hancock assure me that the provisions of the bill are desirable.

I believe that if Mr. Jesse Jones had given consideration to the details of this bill he would not on his own responsibility be advocating its passage.

Let us look at the history of this bill. It is over a year old. Hearings were started in the Banking and Currency Committee on April 25, 1939. They continued through June 6, 1939. The House Committee reported the bill on June 23, 1939, and it lay dormant in the Rules Committee until July 28, 1939, a matter of 5 weeks, before the Rules Committee took any action on it whatsoever, indicating that the Rules Committee hesitated before they granted a rule on the bill. Why did they hesitate to grant a rule on this bill? The Banking and Currency Committee is made up of 25 members; 13 members of the Banking and Currency Committee, or a majority of that committee, are on record as opposing this bill. On the last page of the so-called minority report you will notice that 11 members of the committee signed the minority report, calling attention to the viciousness of the bill, 2 others who for reasons of their own did not sign the minority report voted against the bill in committee. Therefore 13 of this 25-man committee indicated that the bill should not be reported out of the committee, and that is the reason the Rules Committee hesitated for 5 weeks before granting a rule.

Now, for 10 months this bill has lain dormant on the calendar of this House. Nobody contends that it is necessary. Everybody contends that it will expand the authority of the Federal savings and loan associations. The only group which is pressing this bill are the Federal savings and loan associations which, Mr. Speaker, are the foundation upon which will be built, if this bill is passed, a colossal, Nation-wide branch-banking system and, of course, they are for the bill. The State-chartered institutions, every savings bank, every mutual savings bank, every cooperative bank, every Morris Plan bank, every other thrift institution but the Federal savings and loan associations are violently opposed to this bill because there is the potential danger in this bill that every thrift institution in this country will have but two alternatives—the one to go out of business, the other to convert to a federally and politically controlled Federal bureau, in that they will be forced to convert to Federal savings and loan associations if they want to do business.

I question the advisability of the Rules Committee reporting a rule on a bill and the House adopting a rule on a bill wherein a majority of the legislative committee oppose the bill.

Now, this does set up a third banking system to the prejudice of all banks now established, whether they are State-chartered banks or are Federal-chartered banks. One of the chief reasons for the bank crash of 1933, we are told by everyone, and we are all agreed on this, was overexpansion and unrestrained competition of banking facilities. One of the blessings of that crash, if there were any, and one of the most constructive activities of this present administration, has been the elimination of cutthroat banking competition.

Every effort has been made by this administration and all other to discourage the overlapping of banking facilities to the prejudice of the depositors in banks. Have in mind that when we set up this system we set it up with Federal money. We subsidize this system which competes with all private financial enterprises.

This rule should be defeated because a majority of the committee is opposed to it, a majority of thrift institutions are opposed to it, all the banks of the United States are opposed to it because it sets up a Nation-wide branch-banking system.

Is there a man on the floor of this House who would vote, if he knew what he was doing, to set up a Nation-wide branch banking system whereby the loan policy of his home-town bank would be controlled by Wall Street or a federally controlled bureau? Of course not; and that is just what we have here.

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

Mr. WOLCOTT. I am sorry, but I have a limited amount of time and a lot of material and I cannot yield.

Of course, we would not vote to establish a Nation-wide branch-banking system if we knew what we are about, but this bill does that. This bill would centralize the control of credit under a politically controlled Federal bureau, the Federal Home Loan Bank Board.

It puts the Federal savings and loan associations in the savings-bank business, in competition with all savings banks, mutual-savings banks, cooperative banks, Morris Plan banks, and State chartered building and loan associations.

It broadens the investment field of Federal savings and loan associations to enable them to invest in all first mortgages instead of home mortgages, thereby changing the purpose of the associations in that they may enter an unrestricted investment field instead of being confined to the financing of home building incident to thrift savings.

At the present time they are confined to the home-mortgage field, and we set them up to encourage people to build a home, not to establish a new investment field, but to encourage the building of homes so that a person could buy certificates in one of these Federal savings and loan associations and pay on that certificate until he had money enough on it to make a down payment on a home.

That is the purpose of the Federal savings and loan associations, and it is the purpose of all building and loan associations, but now we broaden the field to allow these Federal savings and loan associations to invest in all first mortgages, without restraint, to invest in Government obligations, to invest in almost every class of security. The bill authorizes the investment in every class of security, the principal and interest of which is guaranteed by the Federal Government. It does not throw around the shareholders of these associations the same protection which a savings bank finds it necessary to maintain for the protection of its depositors. It encourages the issuance of repurchasable and withdrawable certificates. It enables the associations to operate as savings banks, without restrictions and limitations, and with-

out the maintenance of adequate capital and reserves against losses as are required to protect the depositors in savings banks.

It makes possible the destruction of the savings and thrift banking system. The possible destruction of the savings-bank system lies in the fact that because of the advantages given to these associations through tax exemption, understand, their capital, their surplus, their certificates, and so forth, and their franchises and charters are exempt from taxation. The income from their shares is exempt from taxation. That is not true of State chartered institutions or the stock of any savings bank or mutual-savings bank in the United States. The possible destruction of the savings-bank system lies in the fact that because of the advantages through tax exemptions, the encouragement of loose investment policies, irregular and inadequate examinations, and others, Federal savings and loan associations do now and can continue to pay as high as 4-percent interest on their shares which are insured up to $5,000 by the Government. A savings bank, and other similar institutions, because of limitations, restrictions, and requirements with respect to the maintenance of reserves, a limited investment field, nontax exemption, and other restrictions enforced by rigid and frequent examinations, and many times by law itself, are unable to pay more than 2-percent interest. In most States the interest rate on savings bank deposits is 1½ percent and in many localities it is only 1 percent. Also they are prevented from paying higher interest rates because there is no demand for credit within the investment field to which they are limited. At the present time—and this is on this question of competition—there are over five and a half billion dollars of excess reserves in our banks, of untouched capital, untouched credit. If we had not raised the reserve requirements, which these banks must maintain, twice, the excess reserves of these banks today would be over $8,000,000,000. So that there are over $8,000,000,000 lying idle in these banks today, because of the lack of demand, and that is one of the reasons they cannot pay any higher interest rate.

If this bill is passed, as I said before, all savings banks, all mutual savings banks, corporate banks, Morris Plan banks, State chartered building and loan associations have but two courses to follow. They must either convert to a Federal savings and loan association, which is under the political control of a Federal bureau, or they must go out of business. These are the only alternatives which they have.

Mr. Speaker, much as some might disagree with the policies of the Federal Reserve Board, we respect that Board and its interest in the maintenance of the banking system as now established. Mr. Marriner Eccles, Chairman of the Board of Governors, was asked to comment on this bill. He had this to say about it in a letter addressed to the chairman of the committee:

> I do not believe, however, that the permissible activities of Federal savings and loan associations and other member institutions of Federal home-loan banks should be expanded so far beyond their original charter as local mutual thrift and home-financing associations as to allow them to transact a large amount of general banking business. * * * The proposed bill contains a number of far-reaching provisions leading to these ends, and, in my opinion, its enactment would tend to establish a separate complete banking system which would compete on favored terms with savings banks and the savings departments of commercial banks. I therefore do not favor its enactment.

I want to respectfully call the attention of the House to the minority report accompanying the report on this bill. The first sentence of the minority report states that the purpose of this bill is to set up a Nation-wide branch-banking system, to monetize mortgages, and to centralize the management of credit under a politically controlled Federal bureau. That is not an exaggeration, because these charges have been confirmed by bankers in high position and men in high position in this Government, including Marriner Eccles, Chairman of the Board of Governors. In a telephone conversation with me he confirmed the statements in his letter that this bill might establish a Nation-wide branch-banking system. And understand also that the bonds and debentures which are issued by these associations become a public debt transaction and there is a contingent liability on the part of the Federal Government proportionate to the amount of bonds and other obligations which these associations issue, because the Treasury is authorized to take them and to make them a part of the Federal debt transactions.

Here we are in the position where we are scrimping and pinching everywhere we can. We are raising new taxes to carry on a defense program. A bill will be presented to the House within the next 2 weeks providing for the recapture of the capital of some of these associations, because the Treasury needs the money—and here we are creating new, unusual, and unwarranted, and unlimited liability on the part of the Federal Treasury to maintain a system which competes with established systems which have adequate reserves and facilities to furnish every cent of credit which is demanded not only for our current and ordinary needs but for the unusual requirements of the national-defense program.

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

Mr. WOLCOTT. I yield.

Mr. FERGUSON. Will the gentleman tell us the practical effect of section 3 under which these bonds and debentures become a part of the public-debt transaction?

Mr. WOLCOTT. They may issue bonds and other obligations, and the Treasury takes them. I will read from the minority report, if I may, for I think it covers it very well:

> Federal home-loan banks are authorized to issue bonds and debentures. The bill would authorize the Secretary of the Treasury to purchase these obligations, and the bonds issued for this purpose are to be treated as a public-debt transaction. Thus the Secretary of the Treasury not only subscribes to the capital of the Federal home-loan banks but he would be authorized to obligate the United States Treasury for payment of all the bonds and debentures of such banks. This would create a contingent public-debt liability equal to the aggregate amount of the capital, bonds, and other obligations of the Federal home-loan banks. Under other provisions of the law, Federal home-loan banks are authorized to make advances to nonmember institutions over which the Board exercises little or no supervision. These advances tend strongly to impair the capital of the Federal home-loan banks and increase the possibility of losses which will have to be paid out of the Federal Treasury.

Mr. CRAWFORD. Mr. Speaker, will the gentleman yield further at that point?

Mr. WOLCOTT. I yield.

Mr. CRAWFORD. For the benefit of the House, would the gentleman mind giving just a bit more information relative to the bill he referred to a little while ago, which would authorize the Reconstruction Finance Corporation to purchase the stock of the home-loan banks from the Treasury Department so as to give additional funds to the Treasury to carry on the defense program.

Mr. WOLCOTT. Yes; that is the bill we have all heard about, known as the recapture bill, directing the Reconstruction Finance Corporation to purchase this capital, which is now owned by the Treasury, thereby relieving the Treasury of the burden of carrying this capital, and this at a time when we are expected by this bill to increase the obligations against that capital.

Mr. CRAWFORD. And this need for recapture is something entirely new that has arisen since this bill was reported by our committee and since the Rules Committee had the bill sent to it some time last summer.

Mr. WOLCOTT. Yes; and is an added reason why this rule should not be adopted.

This is a dangerous bill. If you were cognizant of the potentialities of this bill you would not vote for it; I am sure you would not.

Nobody is interested in the bill except the institutions which will be used as a foundation upon which to build this colossal Nation-wide branch banking system. I have been pressured, and I know you have been pressured for the last few months by these institutions—and they have a perfect right to do it because they have an interest involved in this bill—but they are the only ones who have an interest in the bill and their interest lies in the fact that they are going to profit by it. [Applause.]

[Here the gavel fell.]

Mr. COX. Mr. Speaker, I yield 10 minutes to the gentleman from Kentucky [Mr. SPENCE].

Mr. SPENCE. Mr. Speaker, at the outset let me inform the Members that this is not a United States Housing Authority bill. There may be some confusion in the minds of Members that it involves in some way the United States Housing Authority, but it does not. This is a bill to amend the Federal Home Loan Bank Act, the Home Owners' Loan Act of 1933, and title IV of the National Housing Act.

The gentleman from Michigan [Mr. WOLCOTT], who just addressed you, complains about the manner in which the bill was reported and the manner in whichs a rule was obtained for the consideration of this bill. The bill was reported in an orderly fashion by the Committee on Banking and Currency, by a majority of a quorum. It was then referred to the Committee on Rules, the great political committee of this House. They considered the bill and gave us a rule for its consideration by the House of Representatives, an open rule, a broad rule as open as the blue sky. There is not an amendment that you want to propose to this bill that you cannot propose. Any germane amendment is in order. The House of Representatives can consider this bill from any angle and in any manner; yet the gentleman from Michigan tells you you should vote down the rule. To vote down the rule, it seems to me, would be a confession that the House of Representatives was not able intelligently to consider this bill. It would, it seems to me, typify the attitude of the justice of peace who had just been elected. When they attempted to introduce some evidence in favor of the accused he said: "I do not care to hear any evidence. I heard all about it down at the corner saloon last night. You are fined $10 and costs." [Laughter.] Certainly, Mr. Chairman, the House is going to consider this bill.

This home-loan bank is not an institution that has just been established, it is an institution that is part of the public policy and one of the great governmental agencies of the United States. It is an agency that has rendered satisfactory service to a great body of institutions which in turn have rendered splendid service to the people of America.

It creates a liquid reservoir of credit for the savings and loan associations, building and loan associations, and other thrift and home-financing institutions, such as the Federal Reserve System furnishes to its members.

It would give greater availability to the assets of these institutions to furnish the accommodations to the people for which they were organized. It will make available for advances to the members the assets of the organizations and will enlarge their power to secure these advances. It will allow the member institutions to obtain advances from the home-loan bank on the security of the notes and mortgages the member institutions are authorized to accept for loans. It will further authorize the Secretary of the Treasury, at his discretion, to purchase obligations issued under the provisions of this act or title IV of the National Housing Act, which will further liquefy the assets of the home-loan banks and the Federal Housing Administration. The Federal Reserve System, agencies of the Farm Credit Administration, the Federal Deposit Insurance Corporation, and various other agencies have this support. There are also some provisions in reference to the powers of the Board to bring suit and criminal provisions defining the criminal jurisdiction, to protect the assets of the institutions against criminal acts. It further exempts from taxation the building of the Home Owners' Loan Corporation, which houses that corporation and the home-loan bank, the Federal Savings and Loan Insurance Corporation. It also reduces the premium to be paid by institutions for insurance of accounts to the Federal Savings and Loan Insurance Corporation from one-eighth of 1 percent per annum to one-twelfth of 1 percent per annum. This is in conformity with the premium paid by the banks for insurance under the Federal Deposit Insurance Corporation.

It should be observed also the Federal Savings and Loan Insurance Corporation only insures solvency. The Federal Deposit Insurance Corporation insures both solvency and liquidity. Certainly these thrift and home-financing institutions should not be compelled to pay more for insurance than the banks. The banks' loans are based upon individual credit, often unsecured, and often the result of personal favoritism and friendship of the bankers. Every loan made by the building and loan associations is secured by a first mortgage upon a home or other property authorized as security for these loans after appraisal by a board of disinterested appraisers. The home is probably the best security for a loan that can be obtained. Men will strive with diligence and sacrifice every other character of property in order to retain their homes, and even if through adversity and misfortune they eventually have to sacrifice them, the lending institution will then, in a great majority of cases, have ample security to protect its loans. This reduction in the premium is a simple matter of justice. While there will be some reduction immediately in the income of the Federal Savings and Loan Insurance Corporation, the Corporation expects to make up the deficiency by the increase in the volume of insurance and in the increase of the number of insured institutions. Many of these institutions are not insured at the present time by reason of the high rate they have to pay for insurance, but under the reduced insurance premium the Corporation expects great numbers of those who are now uninsured to apply for this insurance, which, by a greater spread of the insurance risk, will give greater security to the Federal Savings and Loan Insurance Corporation and will give greater security to those who have invested their funds in these lending institutions.

I am not in favor of enlarging the lending powers of these institutions to the extent this bill does. I am not in favor of the provision in reference to $100,000 loans. The gentleman from Massachusetts [Mr. LUCE], I understand, will offer an amendment to change this authority.

I am in favor of that amendment. But to say that because the bill in its present shape does not meet the wishes of all Members of the House and we should not consider it, seems to me is ridiculous. I am sure the Members of the House want to consider this great question and want to consider it in the light of the information they may obtain, in order to increase the efficiency of these splendid institutions that mean so much to the people of America.

I also intend to offer two amendments which have the approval of every building and loan association in the United States and one of which also has the approval of all the organizations of accountants in the United States, amendments that I think are just and that will be of great benefit in the administration of these institutions.

A building and loan association encourages home ownership and thrift in America. We have had a great many inquiries as to the cause of subversive activities, but I think the thing that would have a greater effect upon America and the stability of its institutions and in the patriotism of its people would be to make this a land of home owners. Anarchy and communism are not born in the home. There is something that gives a dignity and importance to him, when he can put his foot upon his own land. A man's house is his castle. That has come to us from the old English law.

[Here the gavel fell.]

Mr. COX. Mr. Speaker, I yield the gentleman 3 additional minutes.

Mr. SPENCE. Mr. Speaker, there was a distinction in ancient times between the serf, the vassal, and the free man. The free man could own his own home. The home has always had a significance under the common law. Sir Edward Coke said in a case reported in 1605, "The house of every one is to him his castle and fortress, as well for his defense against injury and violence, as for his repose."

When you make the American people home owners you are doing a great service to the Nation, and nothing has done more than the building and loan associations of the United States in this direction. They have rendered an incomparable service.

In my section of the State of Kentucky they have made it a land of home owners. The men who have been interested in those institutions have given unselfishly of their time and labor. Many members of the boards of directors of these

institutions receive little or no compensation for the services they render. Now when these fine institutions ask for the same privileges that the banks have had, we hear voices raised that they are invading the province of the bank.

We need the banks, and we have given them many privileges. However, the banks, as a rule, never wanted home mortgages until the F. S. H. A. came along and insured their mortgages 100 percent. Then they considered the building associations were invading the field of the banks. The building associations ought to be kept within the field they have heretofore occupied, but we certainly ought to do nothing to weaken these fine institutions. I appeal to the Members of the House not to close your minds to the merits of this case. If the Rules Committee had put us in a legislative strait jacket, if the Rules Committee had shackled Members so they could not give voice to their opinion, I would say vote down the rule. But what reason would there be to vote down a rule as broad as this for the consideration of a bill as meritorious as this bill is?

[Here the gavel fell.]

COMMITTEE ON WAYS AND MEANS

Mr. COOPER. Mr. Speaker, I ask unanimous consent that the Committee on Ways and Means may have permission to sit during the session of the House for the remainder of the day.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Tennessee [Mr. COOPER]?

There was no objection.

AMENDMENT OF THE FEDERAL HOME LOAN BANK ACT, HOME OWNERS' LOAN ACT OF 1933, TITLE IV OF THE NATIONAL HOUSING ACT

Mr. ALLEN of Illinois. Mr. Speaker, I yield 5 minutes to the gentleman from Massachusetts [Mr. GIFFORD].

Mr. GIFFORD. Mr. Speaker, the bill contemplates important changes in our present banking structure. Lengthy and full explanations should be made to Members before action should be taken by the House. However, we can forget for a moment the many complicated and so-called technical amendments contained in the bill and present to you its real purpose. This is to change the entire intent of the original home-loan bank which is to take care of home mortgages and limited to 4-family units.

Under the plea that a large corporation backed by the Treasury itself must be set up as a safeguard against any future collapse in the mortgage market, extraordinary and liberal terms should be granted to federally capitalized and controlled institutions will at once force these independent State-chartered cooperative banks and building associations and even the large savings banks under this umbrella of so-called Federal protection. It is simply another attempt of reformers to extend another mighty arm of Federal control over institutions of established reputation for safe and conservative conduct in its operations. It now insures the shares of building associations up to $5,000 and carries the implied assurance that these shares are really classed as savings, always carrying the privilege of immediate withdrawal. The savings and loan institutions, set up by the Government with the intent to be placed in localities where banking facilities were lacking, have now penetrated into sections fully served with such banking facilities. Their preferred status by Government-supplied funds constitute a ruinous competition.

It is for this House today to determine whether another immense raid on private control and direction of capital shall be made by these ambitious bureaucrats to enlarge their respective domains. They quote other powers granted to the Federal Reserve and other departments of Government and want such powers duplicated in their own activities. For the Government itself to interfere and upset the already full and completely satisfactory financial institutions of many States should not be tolerated. The one item in this bill which would force the Treasury to furnish almost unlimited funds to this contemplated huge mortgage institution and to be treated as a public-debt transaction is disheartening and adds more public distrust to the public credit.

The rule should be voted down at this moment when our attention is on other pressing matters. We should not further jeopardize the national credit in assuming this large mortgage responsibility.

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

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

Mr. PATMAN. The gentleman stated the Government's credit is already being questioned. Who is questioning the Government's credit when the interest rate is the lowest of history?

Mr. GIFFORD. That is the trouble. The interest rate is low. That is what has bedeviled the country and jeopardized the savings of everybody. Money issued because of debt certificates has caused this plethora of money and caused this low rate of interest. When you come to renew these bonds at a later date it may be that you will pay twice as much as the present low rate of interest you boast about. I see it ahead. Do not boast about it. It is a positive danger.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Latta, one of his secretaries, who also informed the House that on the following dates the President approved and signed bills of the House of the following titles:

On May 22, 1940:

H. R. 8357. An act to amend the Mount Rushmore Memorial Act of 1938.

On May 24, 1940:

H. R. 2948. An act for the relief of Morris Hoppenheim, Lena Hoppenheim, Doris Hoppenheim, and Ruth Hoppenheim;

H. R. 3094. An act for the relief of Luise Ehrenfeld;

H. R. 7079. An act to provide for the appointment of additional district and circuit judges; and

H. R. 8826. An act to authorize an appropriation to assist in defraying the expenses of the American Negro Exposition to be held in Chicago, Ill., during 1940.

MESSAGE FROM THE PRESIDENT OF THE UNITED STATES—NATIONAL DEFENSE (H. DOC. NO. 799)

The Speaker laid before the House the following message from the President of the United States, which was read, referred to the Committee of the Whole House on the state of the Union, and ordered to be printed:

To the Congress of the United States:

The almost incredible events of the past 2 weeks in the European conflict, particularly as a result of the use of aviation and mechanized equipment, together with the possible consequences of further developments, necessitate another enlargement of our military program.

No individual, no group can clearly foretell the future. As long, however, as a possibility exists that not one continent or two continents but all continents may become involved in a world-wide war, reasonable precaution demands that American defense be made more certain.

An investigation into manufacturing resources since my message of May 16, to determine the practicability of placing additional orders with industry for special material, both to provide an early expansion of existing production facilities and to obtain increased quantities of the special weapons concerned, has caused the War and Navy Departments to submit to me an urgent and new recommendation that increased appropriations and authorizations for the national defense be made before the adjournment of the present Congress.

Over and beyond the acquisition of this actual material is the evident requirement for the immediate creation of additional production facilities to meet possible future emergencies as well as present deficiencies in the making of munitions, such as guns, ammunition, and fire-control equipment. These facilities require a long time to create and to reach quantity production. The increased gravity of the situation indicates that action should be taken without delay.

The problem of defending our national institutions and territorial integrity is no longer a problem for men equipped

simply with an indomitable determination. Modern defense requires that this determination be supported by the highly developed machinery of our industrial productive capacity.

The expansion of our defense program makes it necessary that we undertake immediately the training and retraining of our people, and especially our young people, for employment in industry and in service in the Army and Navy.

The requirements of industry and the expanded armed forces for persons with experience in mechanical and manual fields are obviously going to be great. We do not have such trained persons in the number that will be required for the tasks that lie ahead of us if our defense is to be assured. We have, therefore, the task of training a large number in the skills and semiskills required by modern production in industry and by a highly mechanized defense force in the Army and Navy. A primary consideration in the training of skills must be, not the existing distribution of workers among skilled fields but the distribution that would be required if our industrial machine and our defensive forces were fully mobilized.

In the national effort for defense upon which we are now engaged, it is imperative that we make full and effective use of the mighty capacities that lie in our population. Here as yet undeveloped lie the ability and the strength needed in the building up of our armaments to provide a sure industrial foundation for the meeting of any and all defense requirements. Without the full development of these skills, our national defense will be less than it must be in the critical days which lie ahead. Without the full contribution of our people, our defense cannot attain the invulnerability which the Nation demands and which we are determined it shall have.

The one most obvious lesson of the present war in Europe is the value of the factor of speed. There is definite danger in waiting to order the complete equipping and training of armies after a war begins.

Therefore, I suggest the speedy enlargement of the program for equipping and training in the light of our defense needs.

I have instructed the representatives of the War and Navy Departments and also the representatives of the several agencies dealing with the training of young men for noncombatant services to make available to the appropriate committees of the Congress the plans and proposals which they have laid before me.

These plans call for immediate appropriations to carry forward congressional decisions in bills already pending, for immediate appropriations to add to the program and for authorizations to enter into contracts which it will take some time to complete.

There is a specific recommendation I would make in concluding this message, that before adjournment this Congress grant me the authority to call into active service such portion of the National Guard as may be deemed necessary to maintain our position of neutrality and to safeguard the national defense, this to include authority to call into active service the necessary Reserve personnel.

The amounts involved are large—over a billion dollars—but I believe that for national safety the needs are urgent.

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE, *May 31, 1940.*

AMENDMENT OF FEDERAL HOME LOAN BANK ACT, HOME OWNERS' LOAN ACT OF 1933, AND TITLE IV OF THE NATIONAL HOUSING ACT

Mr. COX. Mr. Speaker, I yield 4 minutes to the gentleman from Illinois [Mr. DIRKSEN].

Mr. DIRKSEN. Mr. Speaker, with a sense of humility and perhaps apology I find myself in disagreement with Members on my own side and particularly the members of the Banking Committee on the pending bill and pending rule. I do not share the apprehensions that were uttered on this floor his afternoon. I sincerely hope that the rule will not be voted down, so that the Members of the House can perfect the bill now before us in the hope that it can be enacted into law.

Perhaps I find comfort in the refrain of that old song current during the World War, They Were All Out of Step But Jim. It may be that I am out of step on this matter. I do not know, but I have labored with this bill for quite a long time and I think I express the feeling of most of the building and loan associations in the country, whether they be State chartered or whether they be Federal, that there ought to be implementing legislation to the existing Federal Home Loan Bank System, in the interest of justice, equity, and more expeditious operation.

This system was created in 1932. It bears the same relation to the thrift institutions that the Federal Reserve System does to the banks. There has to be some flexibility about the discounting of home-mortgage paper. It has been operating now for 8 years without any substantial amendment, and it occurs to me that some of the provisions in this bill at least are worthy of trial in the hope that a greater flexibility may be introduced into the home-loan financing field so that they can render better service not only to the Federal but to the State institutions as well.

There are only some 1,350 Federal associations as against more than 8,500 State institutions. I know State institutions that are in accord with many of the provisions of this bill, since more than 2,500 such institutions are members of the Federal Home Loan Bank System.

If there were no other reason for voting for the rule so that this bill can be considered, there would be one outstanding and selfish reason that I can give to every Member of the House, and that is that under existing law the State-chartered institutions today are not tax-exempt, whereas the Federal institutions are tax-exempt. I know of no way to dispel that inequity in existing law today unless we have a legislative instrumentality on which to hang that kind of an amendment. I know, speaking for the associations back in my State, and particularly my district, that if we could save the enacting clause, if nothing else, and then write in the provision that will be offered by the gentleman from Kentucky [Mr. SPENCE], our deliberations this afternoon on this bill will have been worth while. For that reason, if for no other, I trust that the rule will not be voted down because I believe it is important legislation, and I believe, sooner or later, we must induce a greater degree of flexibility in the home-financing and in the thrift field.

Much has been said about setting up another banking system and about a branch-banking system. I say to you very frankly, with all possible dignity and with the highest regard for Mr. Eccles, the Governor of the Federal Reserve Board, that I would prefer other testimony besides his in the field of thrift and home-financing institutions.

Mr. Eccles, if I remember my banking history correctly from the days when I served on this committee, was probably the outstanding banker in the State of Utah. I have always recognized the conflict between banks on the one side and the thrift institutions on the other and so I think I would rather have some authority besides that before I undertook to vote upon this rule, because I think we ought to give this matter consideration this afternoon, amend it as you will.

The Federal Home Loan Bank System now embraces 2,517 State institutions, 1,380 Federal institutions, 9 savings banks, and 40 insurance companies. Whatever is done to make the system more workable and operative inures to all types of savings and thrift institutions. The matter is of importance to every State in the union in view of the fact that nearly 10,000 such savings and loan and thrift institutions are providing loan and savings service to people of moderate means. They have constituted the very backbone of home financing in season and out. They have weathered the shock of the depression and rendered yeoman aid to people everywhere. Surely, the Congress should give careful consideration to such a far-flung enterprise which is so close to the people and therefore I earnestly hope that the rule will be supported and the measure considered. [Applause.]

Mr. ALLEN of Illinois. Mr. Speaker, I yield the remainder of my time to the gentleman from New Jersey [Mr. KEAN].

Mr. KEAN. Mr. Speaker, I have heard with admiration the beautiful laudation of home ownership made by the gen-

tleman from Kentucky and would say that my complete agreement with what he says in this matter is my reason for opposing this bill.

I believe in building and loan associations. In my county there are probably as many of these associations as in any other county in the Union, and they have performed a valuable service, encouraged thrift and home ownership, and I believe that all possible means should be taken to aid them in continuing their valuable work in their own field.

But if this bill should pass, its effect would be to divert the Federal associations from the functions that building and loan associations have exercised so well in the past, take them out of this field and make them into a chain of Nation-wide savings banks—in other words, a third banking system.

Now all of us know that there have been too many banks in this country and, as the gentleman from Michigan [Mr. WOLCOTT] says, the policy of the supervising authorities, ably aided by Jesse Jones and the Reconstruction Finance Corporation, has been to provide for strengthening the banking structure by combining unnecessary banks so that in place of many weak banks every community would have a few strong ones.

This bill would undo all the good that has been done along this line and again weaken the banking structure by providing for that further competition which will once more tempt banks to vie with these Federal associations for deposits through questionable promotional methods, practices which were one of the causes for the banking collapse in 1932.

There is a valuable and legitimate field for the building and loan associations—to provide a means for the thrifty to save funds toward the building of their own homes.

And as the money invested by the shareholders is employed by the association in real estate which is a non-liquid asset, it is entitled to a higher rate of return than money which is available on demand, such as money which the thrifty may place in a savings account.

Risk and long-term capital is entitled to a higher rate of interest than short-term and demand capital, yet this bill would provide that the building and loan associations need not use their funds as intended—for the financing of homes—but may invest them in any type of securities which are legal investment for fiduciary or trust funds, thus getting away entirely from the home-financing field where they belong.

Again, section 14 of this bill provides in case of default by an insured association for the immediate payment to the shareholders in cash of the $5,000 which is insured, compared with the present method of paying 10 percent in cash, 45 percent in 1 year, and the balance in 3 years. This is a provision which again completely confuses the functions of these loan associations, for if you must pay out cash on demand you must keep liquid assets—and home mortgages are not liquid assets.

Why should anyone place money in a savings account at a low rate of interest, if by this bill they can be assured of immediate cash at any time at a higher rate of interest in a Federal loan association?

Again, getting away from the theory which has been so successful for so many years of a thrift institution by which the thrifty can save to build a home, this bill takes the associations out of this field into the field of financing business properties and by amending the law to take out the word "home" from the bill puts these associations in the field of financing business properties which may cost as much as $200,000.

Many of us know from sad experience that this is a risky business—far afield from the original purpose of these associations.

Again, section 3 of this bill provides that the secretary-treasurer may, in his discretion, at any time, purchase any obligations of the Federal Home Loan Bank and thus increase the public debt.

So far these banks have sold their securities to the public without any Government guaranty, and have had a good market because they were secured by conservative home mortgages, which are always a good risk when properly diversified.

But under this bill this practice can be discontinued any time the Secretary wishes to, and certainly if this bill is to be passed this section should be amended to provide that this may be done only in time of emergency if the Secretary finds that the bank itself cannot sell its securities at a reasonable figure.

This is a dangerous bill. It will disturb the present banking structure, and it will impair the usefulness of the building and loan associations in aiding thrifty persons to save toward building homes. This rule should be defeated. [Applause.]

Mr. COX. Mr. Speaker, I yield 6 minutes to the gentleman from Texas [Mr. PATMAN].

Mr. PATMAN. Mr. Speaker, there is nothing in this bill to justify the statement that it will create a Nation-wide branch-banking system. If the gentleman is apprehensive that such will result, let him offer an amendment to prohibit it and I shall be very glad to support it, and I believe it will receive substantial support on this side.

This bill does not involve the Government's credit except to the extent of permitting one of the most deserving classes in America to use the Government's credit to a limited extent and under restrictions that will be no risk whatsoever to the Government. This bill will not cost the Government one penny, not one red cent.

Now, who are opposed to this bill? The big bankers are opposed to it. They are the only ones I have heard squawking about it. They want high interest. They are opposed to low interest. They want to keep for themselves privileges which they have refused to use, and if we judge the future by the past they will refuse to grant these home loans in the future. As evidence of that fact, over a period of 70 years the national banking system only granted loans for home ownership aggregating, in all, $1,200,000,000, and in 7 years the Federal Home Loan Banking System has granted more than that amount of loans. So this shows that the large commercial banks have not tried to develop, have not tried to expand this type of business.

Now, who is in favor of this bill? There are 7,000,000 people in the United States who are associated with these building and loans and savings and loans in every State who are greatly interested in the passage of this bill. Who are these people? They are not the big people, they are the little people, they are the ones who have obtained an average loan of $3,500, and they are saving enormous amounts in interest charges and other charges. They are saving on an average of $1,600 on a $5,000 loan, compared with the time prior to 1933. The average invested saving in these institutions is $700. So the person who is involved in this legislation, who is being fought by these big bankers, is the fellow who has an average saving of $700 and the fellow who has an average loan on his home of $3,500. In order to have an average of $3,500 you must have many loans that are only $1,000 or $1,500.

The big banks have no right to be against this bill. They cannot justly oppose it, but they do, and they are putting up a greedy, selfish fight. The Congress has been too good to them already to let them get by with any such thing as that, and I hope for once that Congress does not permit them to do it.

The gentleman from Michigan [Mr. WOLCOTT] stated in his minority report, and I read it for the purpose of thoroughly agreeing with him:

> It has been said that credit is the life-blood of the Nation. To allow any individual to control credit is to place in that person's hands powers which, if used improperly, can result in economic chaos.

I agree with the words of the gentleman from Michigan. Now, let us see the difference here. If you are for the Federal Home Loan Banking System, you are for the distribution and use of credit all over the Nation. This credit is distributed into every State, per capita, about the same. Let us compare it with the commercial banking system, the

system that is opposing this bill, although they have no right to oppose it.

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

Mr. PATMAN. I have no time to yield. I am sorry, but I just cannot do it.

Over a period of 10 years, from 1929 to 1939, the 10 largest banks, and incidentally they are all in one city, increased their deposits 90 percent. That is over a period of 10 years. During that same period of time, all of the other banks actually lost 15 percent of their deposits. What is the result? The result is, and I now refer to 15 banks, instead of 10, all in one city, that 15 banks in New York City have one-third of the banking deposits of the entire Nation—startling information. That is what the commercial banking system is doing. Let us try to break up this great concentration of wealth and economic power by encouraging these little home-ownership institutions, which will cause the distribution of money and credit. Over that same period of time, 15 banks increased their deposits 86 percent, and 300 of the largest banks 63 percent, and all banks in the Nation other than these, including demand deposits and time deposits, actually lost 22 percent of their deposits. That means concentration of money and credit. And remember that these institutions are locally owned. They are owned by the people in each individual community, and to say that they are going to adopt and engage in a Nation-wide branch banking system, I think, is absolutely ridiculous. This is a good bill and I hope the rule will be adopted.

Permission having been granted to extend my remarks, the following statement and tables are inserted:

THE FEDERAL HOME LOAN BANK SYSTEM AND COMMERCIAL BANKS

The Federal Home Loan Bank System was created in 1932 to assist in urban home financing. Urban home financing is one of three major fields of investment in this country, the other two being commercial banking and agricultural finance. What the Federal Reserve System and the Farm Credit Administration do for other fields, the Federal Home Loan Bank System does for urban home financing.

In the field of home-mortgage finance the Federal Home Loan Bank System has added a great national credit reservoir. It serves 3,912 home-financing institutions, with aggregate resources of approximately $4,763,000,000. These member institutions operate in every State and are helping to meet the home-financing needs of almost every community in the country.

Savings and loan associations, mutual savings banks and life-insurance companies comprise the membership of the Federal Home Loan Bank System. All of these types of institutions have for many years been engaged in the field of home-mortgage finance. Member institutions of the Federal Home Loan Bank System serve 6,500,000 savers and borrowers, representing about one-fourth of the nonfarm families in the United States.

Savings and loan associations, which comprise the major membership of the system, have traditionally served the small-home owner. This is shown by the fact that their average loan of $2,519 is considerably smaller than the average loan of any other institutional lender. Until recently savings and loan associations were practically the sole source of long-term amortized home-mortgage loans. Because they devote practically all their efforts to home financing and are specialists in this field, they are well equipped to carry a major portion of financing home ownership in this country. Moreover, they are in a position to give a high degree of personal service because they are locally owned and managed.

Since 1831, when the first savings and loan association was established, these institutions have traditionally utilized almost their entire resources in the financing of small dwellings, on a home-ownership basis. Mutual savings banks and life-insurance companies have also been active for many years in the mortgage field, although they have not specialized in the home-mortgage loan, but have also made a large volume of loans on other types of property. As far back as 1914, the proportion of assets invested in real-estate loans was almost 45 percent for mutual savings banks and 35 percent for life-insurance companies. Mortgage lending has thus been a traditional field for the long-term savings institutions of the country such as mutual savings banks, life-insurance companies, and savings and loan associations.

On the other hand, mortgage lending is a new field for commercial banks which have in the past been chiefly concerned with short-term commercial loans and demand deposits. Experience, law, and common sense have required that commercial banks keep the largest part of their assets in highly liquid loans and that they put only a small proportion of their capital into long-term investments. It is a fact, however, that commercial banks have been steadily and determinedly encroaching upon the mortgage field served by mutual savings banks, life-insurance companies, and savings and loan associations.

As I have stated, for the long-term savings institutions of the country, mortgage loans have long represented a large portion of total assets. On the other hand, prior to 1913, national banks had only 0.7 percent of their resources invested in mortgages. Since that time, as shown by an examination of the statutes, the powers of national banks to make mortgage loans have been progressively liberalized, and national banks have encroached more and more in the mortgage-lending field.

Prior to 1913 national banks were not allowed to make any mortgage loans, although they were permitted to take mortgages in satisfaction of prior indebtedness. However, the Federal Reserve Act in that year permitted national banks outside of central Reserve cities to make farm-mortgage loans for terms up to 5 years and up to 50 percent of appraised value. Then, in 1916, national banks were first allowed to make urban real estate loans. Of course, it was intended that these loans would be only short-term loans, not exceeding 1 year, and that they would not be competitive with the long-term loans made by savings and loan associations. But, in 1927, to prevent national banks from withdrawing from the Federal Reserve System, another concession was made, and they were allowed to make loans up to 5 years on nonfarm property. Since June 1934 national banks have been permitted to make long-term, amortized-mortgage loans.

The statutes have likewise been amended to increase the aggregate amount which national banks could lend on the security of real estate. As a result of the Federal Reserve Act of 1913 the maximum amount of real-estate loans was set at 25 percent of capital and surplus, or one-third of time deposits. In 1927, 1934, and 1935 the aggregate amount which could be loaned was successively increased. At the present time the statutes permit national banks to invest in real-estate loans up to 60 percent of time and savings deposits, or an amount equal to the paid-in and unimpaired capital, whichever is greater.

Now, what was the result of these changes in law which permitted national banks to put more and more of their assets in real-estate loans? On June 4, 1913, the total real-estate loans of national banks amounted to approximately $77,000,000. By 1916 these loans aggregated approximately $151,000,000. By 1927 the total had jumped to $1,063,000,000. By 1934, notwithstanding the depression, national banks had $1,330,000,000 invested in real-estate loans and by the end of 1939 the total had risen to $1,910,000,000.

In 1913 national banks had only 0.7 percent of their total resources invested in real-estate loans. By the end of last year, this ratio had jumped to 5.4 percent. In other words, during this period the proportion of their resources invested in real-estate loans had increased seven and one-half times.

All these irrefutable facts demonstrate that the commercial banks have to an increasing degree encroached upon the field of savings and loan associations and other long-term savings institutions. On the other hand, no one can say that savings and loan associations are attempting to invade the field of commercial banking. The purpose of this bill is not to create a third banking system but merely to implement the work of the Federal Home Loan Bank System, which is doing such an excellent job in serving as a credit reservoir for long-term savings institutions.

REGARDING SECTION 8

Much ado has been made of the provisions in section 8 of this bill, dealing with the powers of Federal savings and loan associations, and the question deserves some specific discussion. There are approximately 1,400 of these Federal associations operating in the country today. Approximately half of these are newly organized associations, organized in territories which the Federal Home Loan Bank Board has determined were not adequately served. The others are converted from State-chartered associations, because the owners of the associations thought they could do a better community job under Federal charter. These 1,400 Federal associations are securing a steady flow of new private savings in local communities and are lending about $30,000,000 a month on homes, a large part of which is to build new homes. Their average loan is perhaps not more than $3,500, and this means that they are making a great many loans of $1,000 and $1,500 on humble homes. This program has, for the first time, provided in many communities a sound thrift system which is actually doing a good job of financing small homes. In many other communities the converted associations have improved conditions.

The minority report on the bill refers to branch banking, to monetizing mortgages, and to a third banking system, but there is nothing in the legislation on any of these three subjects.

These associations are just as much local private enterprises as are our local national banks. They are locally owned, operated, managed, and directed, accumulating local savings and lending the same on local homes. The Federal Government simply provides a uniform Federal charter and Federal examination and supervision to protect the public. The original statute established extreme limitations, permitting these associations in effect to loan only upon homes and invest in Government bonds, except that 15 percent might be loaned on other improved property. Section 8 would permit an additional 15 percent to be loaned on small apartment houses and would slightly liberalize the investment provision. These associations will still be much more restricted in their opera-

tion than are our local State building and loan associations in most of the States.

No one thing has been done by the Government which has made a greater contribution to home building than the establishment of the Federal Savings and Loan System. It is reaching into the small cities and towns, as well as into the big cities, and providing a thrift program and liberal home financing on a local private basis without any expense to the Government. The only criticism of this effort to improve these associations has come from a few bankers and their representatives who object to what the committee believes is wholesome and helpful private competition in the public interest.

Summary table of number of associations, total membership, and total assets of savings, building and loan associations, by States, 1938 [1]

Name of State	Number of associations			Number of members				Amount of assets			
	State	Federal	Total	State	Federal	Total	Increase (+) or decrease (−) of total over 1937	State	Federal	Total	Increase (+) or decrease (−) of total over 1937
Alabama	23	14	37	11,250	9,728	20,978	+7,608	$7,078,844	$5,862,658	$12,941,502	+$271,957
Arizona	1	2	3	800	1,976	2,776	+1,445	501,144	2,141,496	2,642,640	+713,919
Arkansas	9	33	42	3,876	12,438	16,314	+6,721	3,714,217	10,011,228	13,725,445	+966,516
California	115	75	190	193,366	89,721	283,087	+28,503	210,928,929	93,724,475	304,653,404	+11,691,915
Colorado	33	23	56	16,550	21,965	38,515	+7,010	11,578,586	17,855,150	29,433,736	+639,004
Connecticut	35	15	50	29,667	15,146	44,813	+9,484	23,665,518	10,496,524	34,162,042	+3,107,770
Delaware	43	1	44	15,200	71	15,271	+371	12,668,992	121,847	12,790,839	+376,612
District of Columbia	26	2	28	133,321	9,494	142,815	+13,035	125,947,000	7,040,964	132,987,964	+12,373,964
Florida	40	48	88	6,000	36,098	42,098	+19,950	5,350,199	37,633,560	42,983,759	+7,756,930
Georgia	25	43	68	4,533	24,963	29,496	+8,347	7,473,562	16,832,047	24,305,609	+3,886,518
Idaho	5	9	14	1,950	11,009	12,959	+4,651	871,707	6,710,695	7,582,402	+634,107
Illinois	592	98	690	256,508	107,712	364,220	+22,213	236,038,329	96,277,794	332,316,123	−7,620,603
Indiana	191	68	259	100,000	111,462	211,462	+53,994	79,209,804	80,911,543	160,121,347	+4,540,037
Iowa	65	31	96	40,491	14,709	55,200	+10,114	33,766,264	10,731,725	44,497,989	+3,584,372
Kansas	120	24	144	70,571	23,318	93,889	−22,123	55,448,339	18,116,743	73,565,082	−2,147,604
Kentucky	122	51	173	70,000	69,601	139,601	+27,238	52,715,925	57,179,507	109,895,432	+4,878,568
Louisiana	62	12	74	96,594	11,590	108,184	+3,779	77,372,558	12,700,972	90,073,530	+989,118
Maine	36	5	41	23,932	876	24,808	+347	22,737,003	601,078	23,358,081	+224,678
Maryland	[1] 700	31	731	[1] 150,500	28,789	179,289	−34,299	[1] 100,000,000	22,994,902	122,994,902	−35,836,539
Massachusetts	185	26	211	338,091	89,080	427,171	+27,162	387,812,995	90,644,598	478,457,593	+2,265,278
Michigan	55	27	82	78,477	34,125	112,602	+16,987	91,567,814	31,302,368	122,870,182	+9,300,596
Minnesota	46	30	76	31,683	48,712	80,395	+32,203	25,703,696	35,559,600	61,263,296	+10,622,432
Mississippi	25	21	46	4,150	5,993	10,143	+3,120	5,060,000	3,937,831	8,937,831	+631,344
Missouri	183	37	220	150,000	38,001	188,001	+9,938	91,940,439	35,198,353	127,138,792	−754,212
Montana	20	2	22	14,449	696	15,145	−4,066	10,247,390	356,223	10,603,613	−559,905
Nebraska	57	15	72	81,434	8,054	89,488	+2,087	60,960,785	6,232,158	67,192,943	−4,084,254
Nevada	4		4	1,150		1,150	+10	954,898		954,898	+2,434
New Hampshire	28	2	30	14,928	6,581	21,509	+3,958	11,676,892	6,417,844	18,094,736	+1,146,538
New Jersey	1,327		1,327	528,507		528,507	−56,888	691,959,695		691,959,695	−100,401,361
New Mexico	14	8	22	3,600	1,682	5,282	+1,054	3,753,790	1,624,853	5,378,643	+582,325
New York	216	64	280	385,050	205,259	590,309	+80,261	258,019,052	138,572,753	396,591,805	+18,091,216
North Carolina	163	16	179	112,360	13,076	125,436	+20,052	75,559,988	10,674,641	86,234,629	+10,419,725
North Dakota	17	6	23	8,911	2,796	11,707	+1,960	8,778,658	1,981,196	10,759,854	+364,253
Ohio	605	113	718	1,224,621	233,968	1,458,589	+151,789	625,195,145	180,955,633	806,150,778	−4,447,454
Oklahoma	36	33	69	11,382	46,222	57,604	+18,978	17,909,050	42,895,404	60,804,454	+1,733,764
Oregon	13	22	35	15,390	18,112	33,502	+6,460	14,845,238	12,356,799	27,202,037	+2,190,271
Pennsylvania	1,821	71	1,892	471,127	46,342	517,469	−10,148	498,368,248	34,757,534	533,125,782	−63,579,454
Rhode Island	8	1	9	52,043	700	52,743	+3,092	34,180,833	616,038	34,796,871	−1,311,269
South Carolina	43	30	73	8,900	18,968	27,868	+10,442	8,800,369	14,090,429	22,890,798	+3,590,450
South Dakota	14	4	18	4,592	2,537	7,129	+324	3,171,677	1,619,131	4,790,808	+211,122
Tennessee	14	39	53	3,635	29,668	33,303	+18,124	2,689,938	21,572,108	24,262,046	+4,675,288
Texas	92	92	184	60,267	53,305	113,572	+54,097	51,654,198	39,708,239	91,362,437	+7,646,284
Utah	15	6	21	21,900	10,701	32,601	+6,171	20,603,249	6,624,067	27,227,316	+730,562
Vermont	12	2	14	5,204	1,828	7,032	+624	4,125,520	1,809,703	5,935,223	+385,942
Virginia	66	21	87	39,350	17,076	56,426	+10,309	31,482,272	16,146,612	47,628,884	+3,370,647
Washington	34	36	70	69,194	94,022	163,216	+20,994	20,639,159	38,458,340	59,097,499	+6,355,408
West Virginia	43	21	64	17,000	15,463	32,463	+2,922	13,172,237	13,709,147	26,881,384	+374,383
Wisconsin	171	27	198	164,785	13,600	178,385	−1,612	170,792,880	11,023,426	181,816,306	−5,318,429
Wyoming	5	9	14	3,400	2,559	5,959	+1,276	3,233,255	2,450,013	5,683,268	+302,084
Hawaii	8	1	9	16,815	1,702	18,517	−4,033	6,470,958	1,828,377	8,299,335	+2,295,882
Alaska		1	1		169	169	+113		139,305	139,305	+43,330
Total	7,583	1,368	8,951	5,167,504	1,661,663	6,829,167	+596,148	4,318,357,238	1,311,207,631	5,629,564,869	−82,093,541

[1] Estimated.

Source: Secretary-treasurer's report, 1939, United States Savings and Loan League.

Deposits in commercial banks in the United States, excluding possessions [1]

[In millions of dollars]

	All commercial banks	300 largest commercial banks	Other commercial banks	Percent of total held by—	
				300 largest banks	Other banks
Total deposits:					
Dec. 31, 1939	57,493	38,950	18,543	68	32
Dec. 31, 1938	51,170	33,597	17,573	66	34
Dec. 31, 1937	48,475	31,231	17,244	64	36
Dec. 31, 1929	51,205	27,518	23,687	54	46
Change from Dec. 31, 1929, to Dec. 31, 1939 (percent)	+11	+42	−22		
Demand deposits:					
Dec. 31, 1939	41,964	31,787	10,177	76	24
Dec. 31, 1938	35,941	26,601	9,340	74	26
Dec. 31, 1937	33,199	24,183	9,016	73	27
Dec. 31, 1929	31,535	19,522	12,013	62	38
Change from Dec. 31, 1929, to Dec. 31, 1939 (percent)	+33	+63	−15		

[1] Deposits of noninsured banks in 1939, 1938, and 1937, and of banks not members of the Federal Reserve System in 1929, partly estimated.

Deposits in the 300 largest commercial banks in the United States, excluding possessions

[In millions of dollars]

	10 largest banks	15 largest banks	25 largest banks	100 largest banks	200 largest banks	300 largest banks
Total deposits:						
Dec. 31, 1939	14,375	17,595	21,635	31,691	36,362	38,959
Dec. 31, 1938	11,874	14,654	18,176	27,072	31,262	33,597
Dec. 31, 1937	10,788	13,327	16,575	24,992	28,999	31,231
Dec. 31, 1929	8,400	10,552	13,567	21,506	25,244	27,518
Change from Dec. 31, 1929, to Dec. 31, 1939 (percent)	+71	+67	+59	+47	+44	+42
Demand deposits: [1]						
Dec. 31, 1939	12,706	15,812	18,787	26,493	30,071	31,787
Dec. 31, 1938	10,224	12,665	15,392	22,017	25,029	26,601
Dec. 31, 1937	8,913	11,322	13,841	19,840	22,718	24,183
Dec. 31, 1929	6,671	8,488	10,600	15,616	18,179	19,522
Change from Dec. 31, 1929, to Dec. 31, 1939 (percent)	+90	+86	+77	+70	+65	+63

[1] Demand deposits of noninsured banks in 1939, 1938, and 1937, and of banks not members of the Federal Reserve System in 1929 are partly estimated.

Federal Deposit Insurance Corporation, Division of Research and Statistics, Mar. 22, 1940.

Total deposits of the 15 largest commercial banks in New York City and of all commercial banks in the United States and possessions, June 1909, 1914, 1919, 1924, 1929, 1934, and 1939, and December 30, 1939

[Amounts in thousands of dollars]

June 30—	Largest banks in New York City (15 banks)	All commercial banks in United States and possessions	Ratio of column 1 to column 2	Number of all commercial banks in United States and possessions
1909			Percent	
Total deposits	[1] 1,578,032	13,326,637	11.84	20,385
1914				
Total deposits	1,995,488	17,295,529	11.54	25,067
1919				
Total deposits	4,490,114	32,714,147	13.73	27,484
1924				
Total deposits	5,107,652	40,893,442	12.49	28,175
1929				
Total deposits	6,861,103	48,795,779	14.06	24,328
Demand	5,958,689	28,960,468	20.58	
Time	902,414	19,835,311	4.55	
1934				
Total deposits	7,992,831	36,477,221	21.91	15,080
Demand	7,316,522	23,786,317	30.76	
Time	676,309	12,690,904	5.33	
1939				
Total deposits	12,608,198	53,478,424	23.58	14,530
Demand	11,980,899	37,888,132	31.62	
Time	627,299	15,590,292	4.02	
1939 (Dec. 30)				
Total deposits	13,725,387	57,291,297	23.96	14,483
Demand	13,064,589	41,530,450	31.46	
Time	600,798	15,760,847	4.19	

[1] As of November 1909, the only date in the year for which individual bank figures are available.

NOTE.—Demand and time deposits not available for years listed above prior to 1929. Prepared by Comptroller of Currency.

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

The previous question was ordered.

The SPEAKER. The question is on agreeing to the resolution.

The question was taken; and on a division (demanded by Mr. ALLEN of Illinois) there were—ayes 51, noes 115.

Mr. COX. Mr. Speaker, I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 205, nays 133, answered "present" 1, not voting 91, as follows:

[Roll No. 137]

YEAS—205

Allen, La.	Carlson	Cummings	Ford, Miss.
Andersen, H. Carl	Cartwright	D'Alesandro	Ford, Thomas F.
Anderson, Calif.	Case, S. Dak.	Darden, Va.	Fries
Anderson, Mo.	Casey, Mass.	Davis	Fulmer
Angell	Chapman	Dempsey	Garrett
Barden, N. C.	Clark	DeRouen	Gathings
Barry	Cochran	Dingell	Geyer, Calif.
Bates, Ky.	Coffee, Nebr.	Dirksen	Goodwin
Beckworth	Coffee, Wash.	Disney	Gore
Bland	Cole, Md.	Doxey	Gossett
Bloom	Collins	Dunn	Green
Boland	Colmer	Durham	Gregory
Boren	Connery	Eberharter	Griffith
Boykin	Cooley	Edelstein	Gwynne
Brown, Ga.	Cooper	Edmiston	Hare
Bryson	Courtney	Elliott	Havenner
Buck	Cox	Ellis	Healey
Buckler, Minn.	Cravens	Evans	Hendricks
Bulwinkle	Crawford	Fay	Hennings
Burdick	Creal	Ferguson	Hill
Burgin	Crosser	Fitzpatrick	Hobbs
Cannon, Fla.	Crowe	Flannagan	Hope
Cannon, Mo.	Cullen	Flannery	Horton
Houston	McArdle	Patton	Smith, Conn.
Hunter	McCormack	Pearson	Smith, Wash.
Jacobsen	McGehee	Peterson, Fla.	Snyder
Jarrett	McGranery	Peterson, Ga.	South
Johnson, Luther A.	McKeough	Pfeifer	Spence
Johnson, Lyndon	McLaughlin	Pierce	Steagall
Johnson, Okla.	McMillan, Clara	Poage	Stefan
Johnson, W. Va.	McMillan, John L.	Polk	Sutphin
Kee	Maciejewski	Powers	Sweet
Keefe	Magnuson	Rabaut	Tarver
Kefauver	Mahon	Ramspeck	Taylor
Kelly	Maloney	Rankin	Tenerowicz
Kennedy, Md.	Marcantonio	Rayburn	Terry
Keogh	Martin, Iowa	Richards	Thill
Kerr	Massingale	Robinson, Utah	Thomas, Tex.
Kilday	May	Rogers, Okla.	Thomason
Kirwan	Mills, Ark.	Romjue	Tolan
Kitchens	Mills, La.	Ryan	Vincent, Ky.
Kleberg	Monroney	Sacks	Voorhis, Calif.
Kocialkowski	Mouton	Sandager	Vorys, Ohio
Kramer	Murdock, Ariz.	Sasscer	Wallgren
Kunkel	Murdock, Utah	Schafer, Wis.	Warren
Landis	Nelson	Schulte	Weaver
Lanham	Norrell	Scrugham	Welch
Larrabee	Norton	Secrest	Williams, Mo.
Lea	O'Connor	Shannon	Woodrum, Va.
Leavy	O'Day	Sheppard	
Ludlow	O'Neal	Shanley	
McAndrews	Patman	Sheridan	

NAYS—133

Allen, Ill.	Fernandez	Kean	Rodgers, Pa.
Allen, Pa.	Ford, Leland M.	Keller	Rogers, Mass.
Andresen, A. H.	Gamble	Kinzer	Routzohn
Andrews	Gartner	Knutson	Rutherford
Arends	Gearhart	LeCompte	Satterfield
Arnold	Gehrmann	Lewis, Colo.	Schiffler
Barnes	Gerlach	Lewis, Ohio	Seccombe
Barton, N. Y.	Gifford	Luce	Seger
Bates, Mass.	Gilchrist	McDowell	Short
Bell	Gillie	McGregor	Simpson
Bender	Graham	McLean	Smith, Ohio
Blackney	Grant, Ind.	McLeod	Smith, Va.
Bolton	Gross	Maas	Smith, W. Va.
Byrns, Tenn.	Hall, Leonard W.	Marshall	Springer
Carter	Halleck	Martin, Ill.	Stearns, N. H.
Chiperfield	Hancock	Martin, Mass.	Sumner, Ill.
Church	Harness	Mason	Taber
Clason	Harrington	Michener	Talle
Clevenger	Harter, N. Y.	Miller	Tinkham
Cole, N. Y.	Hartley	Monkiewicz	Treadway
Corbett	Hawks	Mott	Van Zandt
Costello	Hess	Murray	Wadsworth
Crowther	Hoffman	O'Brien	Ward
Culkin	Holmes	Oliver	Wheat
Curtis	Hook	Parsons	Williams, Del.
Ditter	Hull	Pittenger	Winter
Dondero	Jenkins, Ohio	Plumley	Wolcott
Drewry	Jenks, N. H.	Reece, Tenn.	Wolfenden, Pa.
Dworshak	Jennings	Reed, Ill.	Wolverton, N. J.
Eaton	Jensen	Reed, N. Y.	Woodruff, Mich.
Elston	Johnson, Ill.	Rees, Kans.	Youngdahl
Engel	Johnson, Ind.	Rich	
Englebright	Jones, Ohio	Robertson	
Faddis	Jonkman	Robsion, Ky.	

ANSWERED PRESENT—1

Mundt

NOT VOTING—91

Alexander	Dies	Kilburn	Shafer, Mich.
Austin	Doughton	Lambertson	Smith, Ill.
Ball	Douglas	Lemke	Somers, N. Y.
Beam	Duncan	Lesinski	Sparkman
Boehne	Fenton	Lynch	Starnes, Ala.
Bolles	Fish	Mansfield	Sullivan
Bradley, Mich.	Flaherty	Merritt	Sumners, Tex.
Bradley, Pa.	Folger	Mitchell	Sweeney
Brewster	Gavagan	Moser	Thomas, N. J.
Brooks	Gibbs	Myers	Thorkelson
Brown, Ohio	Grant, Ala.	Nichols	Tibbott
Buckley, N. Y.	Guyer, Kans.	O'Leary	Vinson, Ga.
Burch	Hall, Edwin A.	Osmers	Vreeland
Byrne, N. Y.	Hart	O'Toole	Walter
Byron	Harter, Ohio	Pace	West
Caldwell	Hinshaw	Patrick	Whelchel
Camp	Izac	Randolph	White, Idaho
Celler	Jarman	Risk	White, Ohio
Claypool	Jeffries	Rockefeller	Whittington
Cluett	Johns	Sabath	Wigglesworth
Darrow	Jones, Tex.	Schaefer, Ill.	Wood
Delaney	Kennedy, Martin	Schuetz	Zimmerman
Dickstein	Kennedy, Michael	Schwert	

So the resolution was agreed to.

The Clerk announced the following pairs:

On this vote:

Mr. Mundt (for) with Mr. Johns (against).

Mr. Starnes of Alabama (for) with Mr. Wigglesworth (against).

Mr. Claypool (for) with Mr. Thomas of New Jersey (against).

Mr. Schuetz (for) with Mr. Ball (against).

Mr. Merritt (for) with Mr. Vreeland (against).
Mr. O'Leary (for) with Mr. Douglas (against).
Mr. Randolph (for) with Mr. Austin (against).
Mr. Vinson of Georgia (for) with Mr. Brown of Ohio (against).
Mr. Bolles (for) with Mr. Edwin A. Hall (against).
Mr. Gavagan (for) with Mr. Kilburn (against).
Mr. Sullivan (for) with Mr. Rockefeller (against).
Mr. Martin J. Kennedy (for) with Mr. White of Ohio (against).
Mr. Delaney (for) with Mr. Jeffries (against).
Mr. Somers of New York (for) with Mr. Cluett (against).
Mr. Michael J. Kennedy (for) with Mr. Risk (against).

Until further notice:

Mr. Burch with Mr. Lambertson.
Mr. Doughton with Mr. Fish.
Mr. Camp with Mr. Alexander.
Mr. Folger with Mr. Bradley of Michigan.
Mr. Grant of Alabama with Mr. Tibbott.
Mr. Jarman with Mr. Brewster.
Mr. Whittington with Mr. Thorkelson.
Mr. West with Mr. Osmers.
Mr. Sparkman with Mr. Fenton.
Mr. Pace with Mr. Guyer of Kansas.
Mr. Mansfield with Mr. Shafer of Michigan.
Mr. Beam with Mr. Lemke.
Mr. Lynch with Mr. Hinshaw.
Mr. Wood with Mr. Darrow.
Mr. Patrick with Mr. Boehne.
Mr. Dickstein with Mr. Nichols.
Mr. Dies with Mr. Hart.
Mr. Zimmerman with Mr. Sweeney.
Mr. Flaherty with Mr. Byrne of New York.
Mr. Duncan with Mr. Jones of Texas.
Mr. Whelchel with Mr. Harter of Ohio.
Mr. Sumners of Texas with Mr. Walter.
Mr. O'Toole with Mr. Sabath.
Mr. Bradley of Pennsylvania with Mr. Schaefer of Illinois.
Mr. Schwert with Mr. Brooks.
Mr. Lesinski with Mr. Caldwell.

Mr. MUNDT. Mr. Speaker, on this vote I voted "aye." I have a pair with the gentleman from Wisconsin, Mr. JOHNS, who, if present, would have voted "no." I therefore withdraw my vote of "aye" and vote "present."

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

NAVAL APPROPRIATION BILL, 1941

Mr. SCRUGHAM. Mr. Speaker, I ask unanimous consent to have until midnight tonight to file a conference report on the bill H. R. 8438, the naval appropriation bill for 1941.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

EXTENSION OF REMARKS

Mr. MAAS. Mr. Speaker, I ask unanimous consent to extend my own remarks in the Appendix by inserting a speech delivered by my colleague the gentleman from Minnesota [Mr. YOUNGDAHL].

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

There was no objection.

HOT SPRINGS DIVISION OF WESTERN JUDICIAL DISTRICT OF ARKANSAS

Mr. McLAUGHLIN. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 7811) to establish the Hot Springs division of the western judicial district of Arkansas, with Senate amendments, and agree to the Senate amendments.

The SPEAKER. Is there any controversy over the bill?

Mr. McLAUGHLIN. There is no controversy, Mr. Speaker.

The Clerk read the title of the bill.

The SPEAKER. The Clerk will report the Senate amendments.

The Clerk read the Senate amendments, as follows:

Page 2, line 16, strike out "Grant."

Page 2, line 25, after "October", insert "and for the Hot Springs division at Hot Springs on the third Mondays in March and September."

Page 3, line 1, after "Fayetteville", insert "and Hot Springs."

Page 3, line 6, after "building", insert "or addition or annex thereto."

Page 3, line 7, strike out all after "in" down to and including "States" in line 11 and insert "Fayetteville or Hot Springs: *Provided further*, That the referee in bankruptcy of the western division of the eastern district may be appointed by the judge of the western district as referee in bankruptcy for the division herein created at Hot Springs."

Page 3, line 14, strike out "and."

Page 3, line 14, after "Harrison", insert ", and Hot Springs."

Page 4, line 4, after "Faulkner", insert "Grant."

Mr. MARTIN of Massachusetts. Mr. Speaker, reserving the right to object, I understand that all this does is to provide a referee in bankruptcy for Hot Springs, Ark.?

Mr. McLAUGHLIN. That is correct. In addition, it provides for a clerk at Hot Springs.

Mr. MARTIN of Massachusetts. In view of the way we are spending money, I guess this is a national-defense measure.

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

There was no objection.

The Senate amendments were agreed to.

A motion to reconsider was laid on the table.

BLUE RIDGE PARKWAY ACROSS CHEROKEE RESERVATION IN NORTH CAROLINA

Mr. DEROUEN. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 6668) to grant the State of North Carolina a right-of-way for the Blue Ridge Parkway across the Cherokee Indian Reservation in North Carolina, to provide for the payment of just compensation for said right-of-way, and for other purposes, with Senate amendments, and agree to the Senate amendments.

The SPEAKER. Is there any controversy over this bill?

Mr. DEROUEN. No, Mr. Speaker; both the majority and minority members of the committee are in agreement.

The Clerk read the title of the bill.

Mr. MARTIN of Massachusetts. Mr. Speaker, reserving the right to object, I understand this does not inflict any penalty upon the Indians.

Mr. DEROUEN. Not at all. It is a concession and a protection for the Indian tribe.

Mr. SCHAFER of Wisconsin. Mr. Speaker, reserving the right to object, what right has the gentleman's committee got to consider legislation giving right-of-way across Indian reservations? It seems to me this is a matter which would come within the jurisdiction of the Committee on Indian Affairs.

Mr. DEROUEN. For the reason that we are dealing with a public domain—this land belongs to the United States—it came to our committee. In order to get a right-of-way to the reservation we had to give them certain concessions.

Mr. SCHAFER of Wisconsin. As a member of the Committee on Indian Affairs of the House, may I ask if the Indians who are on the reservation approve of these amendments?

Mr. DEROUEN. Yes; the Indians approve of them, and all departments involved approve of them.

Mr. SCHAFER of Wisconsin. If the Indians approve of them, I shall not object; but I suggest that further bills such as this should be referred to the right committee.

The SPEAKER. The Clerk will report the Senate amendments.

The Clerk read as follows:

Strike out all after the enacting clause and insert: "That the Secretary of the Interior is authorized and directed to convey to the State of North Carolina for use as a right-of-way in connection with the Blue Ridge Parkway in the State of North Carolina all right, title, and interest of the United States and the Eastern Band of Cherokee Indians in such land and the timber thereon, to be determined as hereinafter provided, within the Cherokee Indian Reservation in the State of North Carolina as may be necessary for the construction and maintenance of such parkway over the following course: Beginning at a point in State Highway No. 293 near Soco Gap and extending to a junction with State Highway No. 107, near the mouth of the Ravens Fork of the Oconoluftee River by way of the following approximate controls: Leaving Soco Gap and following the east and northerly slopes of Soco and Bunches Bald ridge and crossing through Docks Gap to the south and west side of Soco and Bunches Bald; thence crossing Lickstone Ridge and entering Bunches Gap from the south; thence from Bunches Gap, following the south slopes of the main ridge, crossing Jenkins Divide ridge and entering Big Witch Gap from the southeast; thence leaving Big Witch Gap in a northwesterly direction and keeping on the northerly and westerly slopes of the main ridge, but crossing the various spur ridges circling around the heads of Mingo Creek and Sherrills Cove, and around the north end of the ridge lying immediately northeast of the Ravensford Mill site, crossing the

Oconoluftee River to the junction with State Highway No. 107, previously referred to, and in addition, starting in a northeasterly direction from Bunches Gap passing about one-half mile north of Soco Bald; thence turning north and intersecting the boundary between the Qualla Indian Reservation and the Great Smoky Mountains National Park at a point approximately 1 mile northeast of Bunches Gap.

"SEC. 2. Before making such conveyance, the Secretary of the Interior shall have the lands along such course surveyed and shall determine the exact location and boundaries of the land to be conveyed for use as such right-of-way, which shall not exceed 125 acres per mile. The deed of conveyance for such land shall contain an accurate description of the location and boundaries of such land in order that the interests of the United States and the Eastern Band of Cherokee Indians may be properly protected.

"SEC. 3. In consideration of conveyance, the State of North Carolina shall pay to the United States the sum of $40,000, or $30 per acre, for the lands embraced in the right-of-way described in section 1, whichever sum is the largest, which shall be deposited in the Treasury to the credit of the Eastern Band of Cherokee Indians and held in trust by the United States for the Eastern Band of Cherokee Indians. It is understood and agreed that the State of North Carolina shall build without further payment for right-of-way, and without expense to the United States or the Cherokee Indians, a suitable State highway between Soco Gap and Cherokee Village, subject to the same laws, rules, and regulations applicable to all State highways of North Carolina.

"SEC. 4. The Secretary of the Interior is hereby authorized, in his discretion, to grant to the Eastern Band of Cherokee Indians the beneficial interest in any lands selected by the council of said band within the Boundary Tree tract, containing approximately 884 acres; and the said Secretary is hereby directed to exclude from the Great Smoky Mountains National Park any lands so selected and granted. Prior to the consummation of any such grant, payment shall be made for all lands included therein by the transfer of a sum equal to the fair market value of such lands, as determined by the Secretary of the Interior, from any funds in the United States Treasury to the credit of said band, including funds made available under section 3 hereof, to the credit of the fund 'National Park Service, donations,' which transfer the Secretary of the Treasury is hereby authorized to make upon request by the council of said band approved by the Secretary of the Interior. Funds so transferred shall be available for national park and monument uses, including the acquisition of lands for inclusion in the Great Smoky Mountains National Park. All lands purchased or otherwise acquired for the Eastern Band of Cherokee Indians under authority contained in this act shall constitute a part of the Cherokee Indian Reservation in North Carolina, shall be held by the United States in trust for said band, and shall be nontaxable, nonalienable to the same extent as other lands within said reservation."

Amend the title so as to read: "An act to authorize the Secretary of the Interior to convey to the State of North Carolina for use in connection with the Blue Ridge Parkway certain land within the Cherokee Indian Reservation in the State of North Carolina."

The Senate amendments were agreed to.

A motion to reconsider was laid on the table.

EXTENSION OF REMARKS

Mr. SMITH of Virginia. Mr. Speaker, I ask unanimous consent to revise and extend my own remarks in the RECORD and to include therein an editorial appearing in the Richmond Times-Dispatch and copy of my reply thereto.

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

There was no objection.

AMENDMENT OF THE FEDERAL HOME LOAN BANK ACT, HOME OWNERS' LOAN ACT OF 1933, TITLE IV OF THE NATIONAL HOUSING ACT

Mr. STEAGALL. 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 (H. R. 6971) to amend the Federal Home Loan Bank Act, Home Owners' Loan Act of 1933, title IV of the National Housing Act, 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 (H. R. 6971) with Mr. COLE of Maryland in the chair.

The Clerk read the title of the bill.

The first reading of the bill was dispensed with.

Mr. STEAGALL. Mr. Chairman, I yield 15 minutes to the gentleman from Missouri [Mr. WILLIAMS].

Mr. WILLIAMS of Missouri. Mr. Chairman, I do not share the belief expressed here by some Members that this is such a far-reaching and dangerous bill. As is usually the case, especially when there are bankers involved, there is a very large element of selfishness. The American Bankers' Association and the big bankers of this country have declared against this bill. They express the fear that the building and loan associations are about to encroach upon their territory and they are afraid that some business will be taken away from them by reason of the adoption of this measure. They have gone so far as to say that this bill attempts to establish a third Nation-wide banking system. I cannot imagine where they got that idea. There is not a word in this bill, there is not anything which can be drawn from this bill, that would even intimate the establishment of another banking system.

I want to discuss just for a minute or so our present banking system and show you what this bill does. We already have two banking systems in this country and this bill simply amends some of the laws that apply to one of those systems, and that is all it does.

Back in 1913 when the national banking system had broken down, there was a demand in this country for the establishment of a banking system that would furnish liquid credit to the commercial interests of the Nation. In response to this demand, the Federal Reserve System was created, which in case of necessity furnishes a reservoir which the commercial banks of the country may go to in order to obtain the necessary credit and currency with which to accommodate the demand of agriculture, commerce, and industry.

Following the debacle of 1929, when real-estate values tumbled in this country so rapidly, many of the banks, building and loan associations, and insurance companies found themselves loaded up with frozen real-estate assets in their portfolios and they, as did many other institutions, turned to the Government for help.

They first asked for the establishment of the Reconstruction Finance Corporation to make loans to them, and that was done. That did not satisfy them, and then the building and loan associations by united effort asked the Congress in 1932 for the establishment of the home loan banking system, which was established at that time. It was my privilege, along with the distinguished gentleman from Massachusetts [Mr. LUCE], to be a member of the subcommittee that wrote this legislation and helped secure the passage of it in this House.

Those who are familiar with the history of that time I am sure will not accuse me of being any too enthusiastic or lopsided toward the building and loan associations. I opposed that legislation, but anyway it was enacted into law.

We have at the present time those two banking systems, the Federal Reserve and the home loan banking system. They are very much alike in their own fields in many respects. There is a central board, a Board of Governors of the Federal Reserve System, appointed by the President and located in Washington. They have supervisory powers over members of the Federal Reserve System. There is a Home Loan Bank Board located here, appointed by the President, that has general supervision over the home-loan banks of the country that are members of the institution.

Each system is divided into districts and there are 12 of each in different parts of the country. Each of them is managed by a local board, part of the members of which are elected by the member institutions, and part of which are appointed by the central board. Each of them has a membership, the members of the Federal Reserve System being composed of the national banks and those State banks that can qualify and secure admission. The home loan bank system has the Federal building and loan associations as members and those State members that can qualify. Each member must subscribe to stock in the central system. The members in each system obtain loans from the central authority. Commercial banks obtain their loans from the Federal Reserve System. The building and loan associations of the country obtain their loans through the home-loan banks.

There are two insurance corporations, the Federal Deposit Insurance Corporation, which insures deposits in the commercial banks, and the Federal Savings and Loan Insurance Corporation, that insures accounts in the building and loan associations. It will be seen that there is a strange parallel

between these two banking systems that this country has established, one of them to furnish credit to the commercial interests of the country and the other to furnish credit to the home-loan, savings, and thrift institutions of the Nation.

This proposed law does not touch the Federal Reserve System. It provides for amendments in certain respects to the laws regulating the home-loan banks. Let us see what it does. Let us clear away, if we may, some of the rubbish that seems to have been thrown in the way here.

This has been talked about, as I say, as establishing a third banking system. There is not a word in this law that would justify that statement. It has been said that it will create a Nation-wide chain-banking system. There is not a man on this floor who has been more persistently and consistently against a chain-banking system than I. If I thought for a minute that there was a word in this bill that justified that statement I would not be for it. I challenge anybody to show where there is a word in this bill that justified that statement or any implication along that line. The Federal building and loan associations under the present law may and have in a half a dozen or so cases established branch associations in States where the State law permits the establishment of State branches. That is as far as they have gone, that is as far as they can go, and this bill does not change that situation a single syllable, remember that.

There are three important things, in my opinion, in this measure. There are some others, but there are only three important questions in this bill. The first one is that when a local building and loan association wants to obtain an advance or a loan from the home-loan banks in its district, this bill permits it to put up as security for that loan some obligations and securities in addition to what it already can put up under the law; in other words, it broadens the base of securities on which a bank or a building and loan association in need may borrow from the central bank. That is all it does. Under the present law that security is limited to home mortgages and Government obligations direct and guaranteed. Under this law it is extended somewhat. It includes not only home loans but it may include loans on residential properties up to the extent of $100,000, and instead of permitting only the filing of obligations guaranteed by the Government as security, it will permit any other legally held and sound security as an advance.

How does that compare with our Federal Reserve System? What have we done with reference to a member bank in the Federal Reserve System? Why should not we, in all fairness, grant to these building and loan associations the same opportunity and the same right in case they are in need to obtain a loan from the central bank, as we have already granted to the members of the Federal Reserve System? You who are familiar with that legislation know that in 1935, in the Banking Act we passed at that time, we permitted any member of the Federal Reserve System to borrow money from the Federal Reserve bank upon any sound security without limiting it at all. There is no limitation at all on it. The windows are thrown wide open as far as the Federal Reserve member banks are concerned. They can obtain a loan on any security the Board will approve and think is sound. We have had the limitation heretofore mentioned as to security which building and loan associations must put up to obtain a loan up until this time. We propose not to make it without limitation yet, but to throw down the bars so far as to permit these local building and loan associations to borrow in case they need money by putting up security on homes which they have or on other real-estate loans, including residential properties.

What objection can there be to that? The banks of this country say that the building and loan associations are encroaching upon their preserves. Do not forget that the commercial banks in this country today have over $14,000,000,000 in their time-deposit accounts, and those accounts are piling up. The banks do not and will not loan. It is my idea that this field should be broadened; and if the commercial banks will not make those loans—and they have not made them and will not make them—why should not these local building and loan associations engage in that field of lending and lend their money on some of these enterprises that are now striving to obtain loans, but cannot get them from the banks? This will furnish a market for capital goods and give labor employment. This will help put idle money and idle men to work.

That is the first thing of importance in this bill—to broaden the security base upon which these thrift institutions, if you please, can obtain loans and place them somewhat upon a comparable basis with the commercial banks of this country in their borrowing capacity.

In my judgment, the second important provision in this bill is the one which permits the Treasury of the United States to buy the obligations of the Federal home-loan banks and the Savings and Loan Insurance Corporation. You say, Why should that be done? That is only in case of an emergency. It does not direct him to do it, it permits and authorizes the Secretary of the Treasury to buy these obligations in case of necessity.

[Here the gavel fell.]

Mr. STEAGALL. Mr. Chairman, I yield 5 additional minutes to the gentleman from Missouri.

Mr. WILLIAMS of Missouri. That has been done in the case of every other substantial governmental agency, every one of them, and you can go down the line and pick them out. You talk about these securities being dangerous. They are the soundest securities that can be found today anywhere in the United States. So far they have been able to sell them on the open market at a rate of interest comparable to the Government bonds, and sell them at par, without any Government guaranty or without any authorization on the part of the Treasury to buy them.

You take the Federal Farm Mortgage Association. We authorize the issue of $2,000,000,000. There is an agency whose bonds are fully guaranteed by the Government, and the Treasury is authorized to buy them. You take the Home Owners' Loan Corporation, with an authorized issue of $4,750,000,000, fully guaranteed by the Government, and the Treasury authorized to buy their obligations. You take the United States Housing Authority bonds: They are guaranteed, and the Treasury is authorized to buy them. You can take the bonds of the Federal Housing Administration: They and guaranteed by the Government, and the Treasury may buy them. You may take the T. V. A. bonds and perhaps some others. We have passed a law already authorizing the Treasury to buy those securities in case of necessity. The F. D. I. C. is another one. That is the insurance corporation representing the commercial banks. Its obligations may be purchased by the Treasury.

This being true, why, I ask you, in the name of fairness to these two banking systems, if those obligations are purchased by the Secretary, why should he not be permitted, in case of necessity, to purchase the obligations of the Federal Savings and Loan Insurance Corporation as well? Not only that, but the Government owns the stock in these corporations and in case of need, in case of necessity, in case of an emergency, as a matter of common sense and good business, why should not the Treasury be permited to come in and buy these obligations if it becomes necessary to do so? So that is the second thing.

The third important change in this bill, to my mind, is the reduction in the premium rate to be paid by the building and loan associations to their insurance company.

When the Corporation was established, that rate of premium was set at one-fourth of 1 percent, as you know. Later on the law was changed making it one-eighth of 1 percent, with the authority in the Corporation, if necessary, to raise it one-eighth of 1 percent more. This bill proposes to reduce that premium rate from one-eighth to one-twelfth of 1 percent and place it upon the same basis that the members of the Federal Deposit Insurance Corporation pay to that insurance company. There we are again placing this insurance Corporation, in whose vaults are insured the accounts of the

building and loan associations, upon the same basis as the commercial banks of the country which now pay one-twelfth of 1 percent.

These are the three important changes in this bill, and we are not giving in any instance, under any circumstances, to any of these building and loan associations a right and a privilege which does not already belong to every commercial bank from one end of this country to the other, and there is no reason, there is not any sense or any justice, in continuing a discrimination against these institutions any longer. They have already been at a disadvantage in this contest, if you please to call it that, between the banks of this country as lending institutions and the building and loan associations. This bill should be passed. [Applause.]

Mr. LUCE. Mr. Chairman, I yield myself 15 minutes.

Mr. Chairman, the Committee on Banking and Currency, on which I have served for many years, is the most powerful committee in the House for a singular reason. There are in attendance at the moment less than one-fifth of the membership of the House. The other four-fifths know nothing about finance or want to know anything about finance. They have gone over to their offices or are otherwise enjoying themselves. Presently, when the bells ring they will troop in here and when they come through the door they will ask, "How does the committee stand," and they will vote according as they agree with the Democratic or the Republican members of the committee. In the 20 years I have here served it has been impossible to raise an objection to a bill reported by the committee, supported by a majority of its membership, and to overthrow that decision.

Here is a unique situation. This is the only time since I have been here that I have seen the will of the majority of a committee threatened by the decision of a minority of the committee. Our rules are based on the theory that we will entrust these things largely to a majority of our committees, and when by a strange chance a majority of the members of this committee wanted to refrain from reporting the bill and the minority thought otherwise, the minority had its way, and here for the first time, so far as I know in the history of representative government, you are finding the will of the minority pretty certain to accomplish the result it desired, because those who come trooping in, the other four-fifths of the membership, will not know that this bill was rejected by a majority of the committee.

In this particular instance, with some reluctance, I voted against the consideration of the bill now because of the fact that since the bill was brought in to be acted upon a year ago, concessions have been made and what to me were the important things have been ironed out.

I take no issue with any argument presented by my very good friend the gentleman from Missouri [Mr. WILLIAMS], and I am glad to learn that, having seen the result of our years of experiment, no longer does he oppose it as he did at the beginning.

In the course of the reading of the bill for amendment I shall present two or three amendments which I feel have the approval, or at any rate the acceptance, of all the persons so far as I know behind this bill. I have small doubt that you will accept the amendments, but should a majority of those now here see fit to question and put it up to the absentees to decide when they arrive, they may blindly vote against the amendments, and so the bill may go to the Senate without improvement.

However, for your benefit, at least that of the one-fifth of the House now in attendance, I will draw the background for this present bill.

Eight years ago I was one of several members to share in the obligation and privilege of creating the home loan bank system. I took a keen interest in the subject because for many years it had been one of my favorite themes. I built my first house by the use of such an institution as the building and loan association. In New England we call it a cooperative bank. Elsewhere, generally, it is called a building and loan association. It is all the same thing, with the same principle. The idea that took root in this country about a century ago has spread until this has now become one of the great institutions of the United States.

Eight years ago we found out that one-half of the counties in this Nation had no thrift institution within their borders; one-half of the people of the country knew nothing about a cooperative bank, a building and loan association, a savings bank, or any other instrumentality for thrift. The field had been entered in that half of the country by the State banks and national banks whose primary function was to do a commercial business. They should have been restricted to that business, but they were the only institutions in one-half of the counties of this country that could lend a man money enough to add to his own in order to build a house. We thought it would be well to allow the other half of the country to enjoy the institution that had brought us in New England and in the East generally so much satisfaction. So we created the Federal savings and loan associations in order that the national protection thrown around these institutions would furnish the same benefits to all the counties in the land.

Mark you the change in the name. That was a compromise between the building and loan associations and the cooperative banks and the Louisiana institutions.

We looked forward to the prosperity they could achieve, the good work they could do, with satisfaction and certainty that it would be accomplished. It has been accomplished, until today the savings and loan associations are an addition to the welfare of the public that I personally feel happy to have had even a slight share in creating. But at the same time the unexpected happened. It was decided—and I do not know who made the decision—that these Federal associations should also be created in the States where there were already the State institutions. In my own State 18 Federal associations have been created, while we have 180 State cooperative banks. Among these Federal associations are some of the big concerns. They outrank the State institutions in ratio of business.

Then the trouble began. Then began the quarrel, the rivalry between the two creations, one of State origin and the other of national origin. My own State restricted cooperative banks to loans of $8,000, up to 80 percent of the value. You now find a bill for Federals that would make the limit of single investment $100,000.

Naturally the opportunity to invest attracted the attention of the shrewd financiers of the country. They fell for the idea—a good idea, you say—that the poor man ought to have as good a chance as a rich man to have his money invested profitably. Ah, but look behind it. The cooperative bank was created 100 years ago to help the man of moderate circumstances, the man like myself, starting out in life having only a small amount to invest—to help him get a home—h-o-m-e, home. It is today still thought these were to be home-building institutions. For my part I cannot conceive of an apartment house as a home, I cannot conceive a young man just starting in life wishing to buy an apartment in a block for a home. What is a home? What did the poet say, "Be it ever so humble, there's no place like home"—home, with all of its associations, the family, children, the quiet, the peace, the contentment, the satisfaction of the home. That is the very foundation of our social system, and it ought to be, and to encourage the building of homes was a noble work, a righteous work.

But now the Federals see a chance of investing their money in other directions than homes, and you will find in the printed bill a $100,000 limit, which means that the allurement of this opportunity to invest money at a high rate of interest is more than they can pass up. So they come here and ask to enter this field of the commercial banks. Fortunately we have been able to persuade these friends of the bill that it is an unwise thing, and as a concession they will not reject an amendment that drops out the apartment house.

What I am leading up to is this, that if one-fifth of you allow the other four-fifths to come in and vote for this bill as it reads, then you will perpetrate the destruction of an understanding now reached that risking the savings of the

poor shall not be a part of the activity of a home-loan association. For this reason I plead with you to ask that absent four-fifths, as they come trooping in the doors, to vote to sustain that understanding and to tell them that everybody so far as I know agrees that this ought to be done, that the amendment I shall offer ought to be accepted.

It is also provided by another amendment I shall present that the conditions of competition shall be restored—free and square competition. I am going to ask this absentee four-fifths to say that each State shall decide for itself what limits it shall impose upon these institutions. My own State, I am sure, will want to continue the cooperative banks as home-building institutions. It will not desire to go beyond the original limit. The limit of a single loan now imposed by my State has for 50 years and more satisfied everybody, has produced very little hardship or loss, has been a beneficent thing, a blessing to the State. The statute law of my State says that the cooperative banks shall not make any one loan of more than $8,000 on an 80-percent valuation basis.

Mark you, that is what we think is best. Now if some of your other States think it is all right for the building and loans to go ahead and lend $15,000, $20,000, or $75,000, that is your lookout, but I want protection in my own State, for the right of the people of the State if they so desire to restrain the activities of these associations to their normal, natural, valuable field. So I shall present another amendment providing in effect that no Federal institution of this nature in those States shall lend to any one person more money than is permitted to the State institution. That should put a crimp in those 28 Federal institutions in my State with all their glittering, glaring—I will not call it false—but all their deceptive advertising, leading the people in a community where the two institutions exist together to think that somehow it is better for them to patronize the Federal institution. [Applause.]

[Here the gavel fell.]

Mr. WILLIAMS of Missouri. Mr. Chairman, I yield 5 minutes to the gentleman from California [Mr. THOMAS F. FORD].

Mr. THOMAS F. FORD. Mr. Chairman, stripping this bill of all its involved legal verbiage, we find that it is designed to achieve two important objectives. It is designed, first, to afford an opportunity for the building and loan associations in the larger cities to utilize large pools of idle money looking for a place to go to work. This is done by raising the limitation on the amount they may lend. The second purpose is to so implement the present law that in the event of financial crisis or an emergency it would be possible for the Board to take care of any of its members who were temporarily financially embarrassed. In other words, if they have sound mortgages on which they have loaned money, the granting of this additional power will enable them to meet a sudden demand for money that they could not get in any other way. What would happen is that they can take these securities to this Board and borrow on them just as a commercial bank now may borrow at the Federal Reserve bank, thus securing the necessary financial relief to save them from destruction.

If we had had a system of this kind in operation in 1932—and this is not a criticism of anybody—we might have saved one of the worst cycles of deflation this Nation ever went through. It is for the purpose of forestalling the recurrence of such a tragic situation that the law is being implemented.

There are a number of technical details in connection with the matter which I shall not discuss because other members of the committee who have given the details very deep study will discuss them.

Mr. Chairman, I yield the balance of my time to those who wish to discuss the technical details of the bill.

The CHAIRMAN. The gentleman from California yields back 1 minute.

Mr. WOLCOTT. Mr. Chairman, I yield 10 minutes to the gentleman from Massachusetts [Mr. GIFFORD].

Mr. GIFFORD. Mr. Chairman, in the few minutes I used on the rule earlier this afternoon I spoke only in generalities to show the intent of the legislation, hoping that the rule might be defeated.

The details of this bill may be easily understood. Several pages are devoted to penal clauses to which no one will probably object.

There is no man in this House who has received more commendation from me than the gentleman from Missouri [Mr. WILLIAMS]. I think so highly of him that sometimes I am shocked after listening to certain of his arguments in support of the way he votes; but I have been shocked many times today as I listened to the votes cast on the last roll call. Voices that pleaded with you lest the public credit be damaged, voices that told you how much the public credit is in danger were today heard to vote "yes" on this resolution. There seems to be no such thing as consistency. I do not suppose that I am consistent either. Someone questioned me one day about my consistency, and I said: "Yes; I probably sometimes go to questionable places." But the public credit is what bothers me. The gentleman from Missouri [Mr. WILLIAMS] recited to you a long list of guaranties by the Federal Government and asked: "If we guarantee all these things why should we not guarantee this?"

I have good reason to know what mortgages mean. When you go to a sale today in my section—and I assume it is true in all other sections of the country—there are almost always but two people present, the auctioneer and the representative of the mortgagee who bids it in. Often in my locality if there is a mortgage of $10,000, no matter what the value is, the bidder makes a bid of $2,000 and gets it, and then may sue for a deficiency judgment.

As I stated before, I have been in this business nearly 40 years. I know the very great danger of taking too high a mortgage. I know the damage that a tenant can do to property. I know the damage done by some people coming into a locality in the effect of their presence on the value of all other property in that section. I cannot begin to explain to you the damages resulting from many different unforeseen conditions, and I am sure you will agree with me that taking mortgages is a very risky business. However, my friend the gentleman from Missouri [Mr. WILLIAMS] says that we ought to guarantee these things because the Government guarantees everything else. That is an amazing argument. Is there no stopping place? I repeat what I said very recently: There is in the offing a plan to control another great creditor of the Government; an additional instance where this Government, through its politicians, wishes to control another phase of credit facilities. The new dealers are trying to blacken the life-insurance companies, our greatest creditor, the ones who buy outright most of our bonds. The next step is to control those life-insurance companies, and if we do that, of course, the Federal Government should guarantee their obligations. That is but one step ahead. My friend the gentleman from Texas [Mr. PATMAN] has suggested that the public credit must be good, since the rates of interest are so low and the people so willing to lend the Government money.

For fear he was not here the other day, I will repeat what I said then: "He did not want to take his neighbor's note." The neighbor said, "Why do you hesitate taking my note? My notes must be good. Everybody's got 'em." I think it is a good illustration.

In my section of the country they are taking money out of the savings banks to buy Government bonds, especially the so-called baby bonds, because the saving banks, as a result of monetary policies of the Government, cannot pay a dividend even of 1 percent in many cases. Small wonder that our people are buying Government bonds. What else would they do? It does not matter how many billions are borrowed. They are reassured constantly by those in authority. It does not matter in Germany what kind of money they use. If Hitler says, "You take this kind of money," as between nationals it is all right, just as good as a bad check going around paying off everybody and good so long as it does not reach the bank.

Mr. SACKS. Will the gentleman yield?

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

Mr. SACKS. Does the gentleman wish to leave with the House the impression that the United States Government is saying to its citizens the same thing that Hitler is saying to his people, "You must buy our bonds"?

Mr. GIFFORD. No, I did not say anything of the kind. I said if we had a government like that which exists under Hitler, where he can determine what kind of money the people are to use, we would use that kind of money. But, of course, when he wants to do business outside of his nation he has to have another sort of money, so he is bartering all he can, forcing his people to sacrifice in order to get a little gold that other nations will take. The situation is altogether different here, at least, for the present. Let us hope that we can protect this Nation so that when these loans are repaid it may be in good, sound money.

This very low rate of interest lulls our people to sleep. The suggestions of the gentleman from Texas [Mr. PATMAN] allays fear. As there is no place else to place money, we will buy Government bonds, especially as they pay more than private institutions can offer. Our people must buy billions and billions more, and a time may come when too many are on the market. My own fingers were burned. I sold $2,000 par value of Liberty Bonds for about $1,600. The national debt was only half as great then as it is now, and the bonds bore 4½ percent interest. But the public did not want them. I had to dispose of them at that very considerable loss. If that should happen again, heaven help this country. Senator GLASS and others make direful predictions.

We recall 1922. There was no hysteria, but Government bonds were down almost 20 points and the Congress did not do a thing to come to the rescue. It would have let them go down to 50. Many had told the people that the resources of the Nation were back of the bonds. Now, by this bill, you want to put the Government back of mortgages, and that, frankly, is very frightening to me. It should be to you. It is worse than any other guaranty that you have given, because the losses would be so much greater than in any other business activity, under present loans of 80 and 90 percent guaranteed by the Government.

Mr. SACKS. Will the gentleman yield again?

Mr. GIFFORD. I yield to the gentleman.

Mr. SACKS. Is my colleague again trying to impress the House with the fact that all the people, all the bankers, and all the institutions that are buying our bonds have lost their judgment?

Mr. GIFFORD. No. But I may say to the gentleman that I noticed last year that the New York City banks took all the new bonds that were issued. At the end of the year the country at large did not have any more United States bonds than they had at the beginning of the year. The New York City banks had taken them all. They had to support the market. They hold so many of them they have to carry on this bucket-shop business to hold up the price. The gentleman knows that.

Mr. SACKS. I do not agree with that statement. What institution owned all the bonds? Was it the banks?

Mr. GIFFORD. I am talking about the banks of the country outside of New York City. They did not increase by a dollar their holdings of bonds last year. The balance was all taken eventually by the New York City banks. I repeat that. The Government wants the insurance companies to buy them because the insurance companies pay cash for them the same as you would do. When the banks take them they have credits and create this damaging surplus of debit money, of which we have so much we cannot use.

[Here the gavel fell.]

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

Mr. CRAWFORD. Will the gentleman yield?

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

Mr. CRAWFORD. This morning Secretary of the Treasury Morgenthau appeared before the Ways and Means Committee.

Mr. GIFFORD. Yes; I understand he had a most uncomfortable hour before the Ways and Means Committee.

Mr. CRAWFORD. He made what I would call a very genuine Morgenthau conservative plea that the Congress leave within his hands a $2,000,000,000 stabilization fund with which to meet some contingent emergency that might arise in the future. A few minutes following that, Mr. Bell, of the Treasury Department, made the observation that there was about $19,000,000,000 worth of gold in the country and that all of it was active. Here we have a plea for the additional guaranty of securities by the Federal Government. To me there are three very significant things. The gold comes in. Certificates are issued against it. These go to the banks and create excessive reserves, and if the gentleman from Pennsylvania will listen to this and consider the fact that the banks have approximately six and a half to seven billion dollars of excess reserves now, he will have some idea why the New York banks are so anxious to buy Government bonds, not because the credit is so good, not because they are so anxious to have these bonds in their portfolios, but because the gold comes in in an unceasing stream, in an ever-increasing stream, which creates excess reserves.

I wish the gentleman would tell us what the Secretary of the Treasury and his assistants meant when they said the $19,000,000,000 of gold was active. I wish somebody would support that statement, because I do not believe it. There are the excess reserves which are inactive, also the greater part of the stabilization fund, and the gold in the general fund.

Mr. GIFFORD. The gentleman knows that cannot be supported.

In the 2 or 3 moments I have left I wish to emphasize a point, and I want the gentleman from Massachusetts [Mr. HEALEY] to pay attention to me. He ought to take the floor in the fight against this bill. We have a great many Massachusetts State building and loan associations called cooperative banks. They are put in jeopardy by this bill. We willingly a few years ago chartered these Federal savings and loan institutions so they could go into places where money was needed, and voted Federal money as capital to finance them. In Massachusetts private individuals subscribed and furnished all the capital, and they want to be let alone. But now unless we come under this umbrella we in Massachusetts must go out of business. Every one of those institutions are pleading with you today to stop Federal encroachment and competition. Let these Federal associations keep to their own proper field, where facilities are lacking.

The gentleman from Missouri [Mr. WILLIAMS] said that this does not set up a third banking institution. But those institutions that we set up in Massachusetts cannot compete. They must come under this bill. The Federals take larger amounts on risk. At any time you may get your money on your shares, or so it is implied. No organization lacking Federal aid can withstand that sort of competition.

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

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

Mr. HEALEY. Many of the old cooperative banks have taken out charters in the Federal Savings and Loan Association.

Mr. GIFFORD. Not lately. They did for a time.

Mr. HEALEY. How many of them have?

Mr. GIFFORD. Only a few. Perhaps 18 out of 150.

Mr. HEALEY. I just want to say to the gentleman that a man whom I believe is a very sound banker, who for over a quarter of a century has been in this cooperative banking business, called me today and asked me to support this bill. I believe his judgment on these matters is worth consideration, because I know that for a quarter of a century he has been in this business.

Mr. GIFFORD. The gentleman has that one instance; but I had an army of cooperative bankers down here even 2 or 3 years ago. I took them down to the Bureau and they pleaded, and I pleaded for them, that the savings and loan institutions

keep away from their territory where they were not needed. To take advantage of the Government subsidy deliberately to compete and destroy State associations ought not to be tolerated. When private capital will do the job, why pledge the Government further in the matter? Let us stop traveling on this dangerous road. [Applause.]

[Here the gavel fell.]

Mr. WOLCOTT. Mr. Chairman, I yield 10 minutes to the gentleman from Ohio [Mr. SMITH].

Mr. SMITH of Ohio. Mr. Chairman, anyone who has studied the classical experiences of inflation and who is acquainted with our own situation, with the conditions as they now exist in this country, cannot help but realize that we are at this moment involved to a great extent in inflation. We are now in about the same position as France was in during the early part of her great revolution.

It has been stated that this is costing the Government nothing. The question has been asked by the gentleman from Pennsylvania whether the people of this country are forced to buy Government issues, as Hitler forces his people to buy German or Nazi Government bonds. I do not know exactly how Hitler is doing that in Germany, but let me answer the gentleman from Pennsylvania by saying that we in the United States are today forced to buy Government bonds. Virtually all the obligations that are being sold by the Government at the present time are forced sales.

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

Mr. SMITH of Ohio. I yield to the gentleman from Texas.

Mr. PATMAN. How can the gentleman make the statement that they are forced sales, when the people bid for them?

Mr. SMITH of Ohio. If the gentleman will give me time, I shall answer his question.

In the first place, answering the gentleman from Texas, there is no market in private industry for new capital. As is well known, last year the new capital invested amounted to about $360,000,000 as against an average of about $3,000,000,000 annually from 1919 to 1929. There is no demand for money in private industry. Politics has destroyed this demand. Therefore, savings find no place for investment except in Government obligations.

Secondly, the Federal Reserve Banking Act, as I understand, specifically makes it mandatory for the Federal Reserve banks to take the obligations of the Government. The Federal Reserve bank has no choice in this matter. What does the Federal Reserve bank do with these issues? It allocates them to the member banks. Have the member banks any choice as to whether or not they wish to buy these bonds or obligations? Certainly not.

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

Mr. SMITH of Ohio. I would rather finish my statement, because I will probably cover what the gentleman wishes to ask me.

Having no outlet for their funds in private industry, and being forced to invest these deposits somewhere, banks must invest them in governments. Moreover, every banker in this country knows that he is obligated—I am speaking of the member banks of the Federal Reserve System now—every bank belonging to that System knows that it must subscribe in some amount to these allocated Government obligations.

How long would it be before a member bank would receive a telephone call from the powers that be if it did not subscribe to the amount the Federal Reserve Board thinks it ought to take? Not very long, of course; and let me answer the gentleman from Pennsylvania from another standpoint. Does he know that the moment any nation suspends or stops specie payment all government loans become forced? Our Nation has been under the domination of forced loans since the Gold Reserve Act of 1934.

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

Mr. SMITH of Ohio. I will be glad to yield to the gentleman.

Mr. GIFFORD. Can I square one thing that the gentleman has said? The gentleman recalls the statement I made that at the end of the year the New York City Bank had all the surplus. The gentleman has said that they have to take them, and they do; but you have brought out that during the year they quietly unloaded after they had taken them; and they did take them under duress in many cases that I know about.

Mr. SMITH of Ohio. Now, the fact is that these Government issues are forced loans. There can be no question about that. No sound student of money has ever questioned that Government lending becomes forced the moment specie payment is suspended.

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

Mr. SMITH of Ohio. I will be pleased to yield to the gentlewoman from Illinois.

Miss SUMNER of Illinois. I think one might say quite truthfully that they are also voluntary. When a bank buys a Government bond, it can always discount it at the Federal Reserve bank for cash, and many people, fearful of the future and what may happen in the way of taxation, are glad to have their investments in a place where they can get cash.

Mr. SMITH of Ohio. "Fearful of the future," is the whole story. Certainly, when the Government credit goes, all credit goes.

The statement has been made here today that the low interest rate now prevailing is an indication the credit of the Government is good. Low interest rate is no criterion of good Government credit. Was the low interest rate on the paper issued by the French Government during the revolution a criterion of good government credit? Was the low interest rate which the Austrian Empire for nearly 100 years put on its paper issues a criterion of good government credit? I refer to the period of her money debauch in the latter part of the eighteenth century and lasting into the second half of the nineteenth. Of course not. Since our issues are forced, to be sure the Government fixes the rate arbitrarily, and there is nothing left for the people to do but to buy those obligations with such savings as they still can accumulate.

Now, let us see if this has not cost the Government anything or will not cost the Government anything, as has been stated here on the floor. To make such a claim is to assert that the lending of money by the Federal Government involves no risk whatsoever. Let me show you from some actual figures whether or not the Government loses anything through the operations of these lending agencies.

I have here some figures taken from the report of the Secretary of the Treasury in response to Senator BYRD's request for a statement showing the financial condition of the 30 political lending and spending bureaus—wrongly called corporations—which have been set up in the last 5 years. If you have not read this report you will find it very interesting. It will probably be published and available to all in a very short time. I took my figures from the only copy thus far available. However, let me read you some of the losses reported in this report:

Disaster Loan Corporation	$1,591,616

I am reporting losses now given by the Federal Treasury itself.

Electric Home and Farm Authority	$67,172
Home Owners' Loan Corporation	59,562,029
Federal Housing Administration	34,458,062
Agricultural Marketing Administration	319,206,512
Emergency Crop and Feed Loan Corporation	134,247,927
Regional Agricultural Credit Corporation	2,303,597
Federal Farm Mortgage Corporation	82,408,464
Commodity Credit Corporation	180,965,315
Farm Security Administration	239,860,832
Federal Crop Insurance Corporation	4,906,575
Rural Electrification	4,523,184
Tennessee Valley Association, Inc	109,514

Mr. PATMAN. Will the gentleman please state where he is getting those figures?

Mr. SMITH of Ohio. From the Secretary of the Treasury's report in response to Senate Resolution 150 demanding a financial statement of the balance sheets of the 30 political lending and spending bureaus.

Mr. PATMAN. Whose answer are you reading from?

Mr. SMITH of Ohio. Whose answer?

Mr. PATMAN. Yes; in other words, Senator BYRD made an inquiry, and somebody is answering that inquiry.

Mr. SMITH of Ohio. As I have said, this is from the report of the Secretary of the Treasury in response to Senate Resolution No. 150.

Mr. PATMAN. Who made the report?

Mr. SMITH of Ohio. As I stated a while ago, this is the report of the Secretary of the Treasury.

Mr. PATMAN. Did Mr. Morgenthau make that report?

Mr. SMITH of Ohio. This is Mr. Morgenthau's report.

Public Works, Administration	$1,144,594,302
United States Housing Administration	4,744,051
U. S. Maritime Commission	75,102,429
Tennessee Valley Authority	22,129,880
Puerto Rico Reconstruction Administration	37,959,311

This makes a total of $2,348,740,772.

Now, there is an offset to that, so that the final total net loss in round numbers is $1,600,000,000.

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

Mr. CRAWFORD. Mr. Chairman, I yield the gentleman 3 minutes more.

Mr. SMITH of Ohio. In addition, that report shows a billion in defaults, in interest and principal.

Mr. SACKS. Mr. Chairman, will the gentleman yield for a question at that point?

Mr. SMITH of Ohio. Yes.

Mr. SACKS. Does that report say losses?

Mr. SMITH of Ohio. Yes.

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

Mr. SMITH of Ohio. Yes.

Mr. CRAWFORD. To further enlighten the gentleman, if he will refer to page 228 of the last Federal Home Loan Bank Board report, he will find that the H. O. L. C. has a deficit there.

Mr. SMITH of Ohio. Let me analyze the deficit of the H. O. L. C. As I stated, the Byrd report, and I call it the Byrd report because he is responsible for it, shows the H. O. L. C. had a loss of $59,562,000 as of June 1939. I made this statement on the floor before and received a letter from Mr. Fahey, of the Federal Home Loan Bank Board, in which he stated that the H. O. L. C. has $89,000,000 in assets, which I understand are supposed to be derived from interest on loans made. In this letter he takes exception to my statement that this agency shows a loss of more than $59,000,000, but he does not analyze the statement all the way through.

It is, of course, impossible to set up any true balance sheet of the financial status of the Home Owners' Loan Corporation. There are several important reasons why this is so. The June 1939 annual report of the Federal home-loan bank shows $549,441,184 worth of property owned or in the process of acquisition by the Home Owners' Loan Corporation.

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

Mr. CRAWFORD. Mr. Chairman, I yield the gentleman 3 minutes more.

Mr. SMITH of Ohio. In the letter above referred to it is stated that $46,129,337 of that amount represents the properties in process of acquisition. This would leave $503,311,847 worth of houses actually foreclosed and owned by the Home Owners' Loan Corporation as of that date. The seventh annual report of the Federal Home Loan Bank Board, page 13, shows the Home Owners Loan Corporation had by June 1939 acquired 141,752 properties, of which it had sold 55,303, "leaving 87,618 owned by it."

Using the figures $59,562,029 as showing the loss and 55,303 properties as having been sold, this would represent a loss of $1,077 per property. Assuming the same loss will be sustained on the 87,618 houses still owned, and there is no reason to think otherwise, there would be an additional loss of $94,364,586.

Bear in mind, Mr. Chairman, I am giving the figures from the report of the Government agency, which has charge of H. O. L. C. operations. This would represent a total loss of $153,926,815 as of June 30, 1939. Deducting from this amount $89,000,000, which Mr. Fahey states is held as reserve, there is a loss of $64,926,615. In addition the report shows 11,736 properties in process of acquisition. If the same loss is sustained on these properties as was sustained in 55,303 properties sold, there will be an additional loss of $12,639,672. It is reasonable to assert, therefore, that the net loss of the Home Owners' Loan Corporation as of June 30, 1939, will have approximated $77,566,287. Furthermore, the $89,000,000 which Federal Home Loan Bank Board claims as a reserve held by the Home Owners' Loan Corporation requires still further qualification.

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

Mr. SMITH of Ohio. Yes.

Miss SUMNER of Illinois. The gentleman has truly stated that money is going from the banks into Government bonds, because inevitably it has to go into Government bonds.

Mr. SMITH of Ohio. That is correct.

Miss SUMNER of Illinois. It is only good business to put it there from the standpoint of the bank. Permit me to add this statement from the seventh annual report of the Federal Home Loan Bank System, that the average annual amount of corporate securities issued by the railroad utilities and all other corporations in 1937–38, on June 30, 1939, was $2,255,000,000; for the whole total mortgage loans on one- to four-family dwellings covered by this particular bill, being the bill under consideration, is $2,500,000,000. In other words, there are only $55,000,000 more in mortgages of other kinds than there are in the one- to four-family dwellings, showing a situation which should not be encouraged, as it would be by the passage of this bill.

Mr. SMITH of Ohio. Apparently Congress is deliberately closing its eyes to the losses that are being sustained by the lending bureaus of the Government. As regards the national credit: Do you realize that the deficit, not the net deficit of the two Roosevelt administrations, without counting the extra expenditures we are adding at the present time, counting only what is shown on the books of the Treasury and what was projected in the 1941 Budget—is more than $25,000,000,000. The total deficit, not net deficit, of all the previous administrations combined was less than $33,000,000,000.

[Here the gavel fell.]

Mr. WOLCOTT. Mr. Chairman, I yield 2 additional minutes to the gentleman from Ohio.

Mr. SMITH of Ohio. If you take into consideration the additional expenditures that are now being contracted, if you add certain other Government obligations, such as the $800,000,000 U. S. H. A. obligation—and here let me remark how any man can stand on this floor and say this $800,000,000 is not an obligation of the Government, exactly like every other bond of the Federal Government, is most difficult to understand—and if you add still further other obligations assumed by the Government in the last 7 years, such as the heavy losses already shown to have taken place, the total deficit of the two Roosevelt administrations approximates closely the total deficit of all the administrations up to 1933.

Furthermore, the net deficit of the two Roosevelt administrations is at the present time, not taking into consideration these extras but only what is stated on the books of the Treasury, plus the projected deficit of the 1941 Budget, more than $2,000,000,000 in excess of the net deficit of all the other administrations. Let me repeat that the net deficit in the 8 years of the Roosevelt administration, all during peacetime, is more than $2,000,000,000 in excess of the net deficit of all the other administrations. These other administrations had to finance 10 or 15 wars, some of them major wars. When you say the credit of the United States is not

strained, my answer to you is that it is not only strained but it is more than strained. [Applause.]

[Here the gavel fell.]

Mr. WOLCOTT. Mr. Chairman, I yield the balance of my time to the gentleman from Michigan [Mr. CRAWFORD].

The CHAIRMAN. The gentleman from Michigan is recognized for 9 minutes.

Mr. CRAWFORD. Mr. Chairman, for the benefit of those few Members who are on the floor who are not members of the Banking and Currency Committee, I wish to read just a few lines from the June 30, 1939 report of the Federal Home Loan Bank Board which was issued under date of October 1, 1939, and which refers to this legislation:

> In order to increase the usefulness of the agencies under the Federal Home Loan Bank Board to thrift-and-home-financing institutions, the Board has supported a series of proposed amendments to the Federal Home Loan Bank Act and other laws governing the activities of the Federal Home Loan Bank Board. These proposals are based on more than 6 years' experience and deliberation. During these years, the Federal Home Loan Bank Board has made a thorough study of the effects of the existing legislation, and has carefully considered improvements regarded as desirable. The amendments now before Congress represent a program which, in the opinion of the Board, will assist greatly in a more efficient performance of the functions of the agencies under the Board, and which will better enable these agencies to meet future emergencies.

From that language I can come to only one conclusion, that the Board has in mind that the future does hold some very serious problems which the Board will have to meet and that, therefore, it is asking for this great liberalization of the present law.

Continuing, the Board says:

> Under the existing law, mortgages eligible as collateral for Federal home-loan bank advances are confined to mortgages on one- to four-family dwellings with a maturity limit of 20 years. Under the amendatory legislation as introduced in Congress, any first mortgage would be acceptable as collateral, the maturity limit would be extended to 25 years, and the present $20,000 limit on mortgages eligible as collateral for advances to members would be removed. In addition, the Federal home-loan banks would be allowed to make advances to members on obligations of the banks themselves, and those of the Federal Savings and Loan Insurance Corporation, as well as on any other obligations, acceptable to the Board, which such members may lawfully have available. The House Committee on Banking and Currency, in reporting the proposed legislation, amended these provisions so that eligible mortgages would have to be on properties designed principally for residential use, and so that a $100,000 limit would be substituted for the $20,000 limit.

Mr. Chairman, I very much regret that we find ourselves facing a situation such that I understand many members of the Building and Loan League have been forced into, somewhat of an acceptance of certain parts of this proposal in the hope of obtaining the benefit of certain other parts of the proposal. Personally, I very much dislike to act on a bill where the industry involved has not itself taken a clear position.

There was handed to the members of the Banking and Currency Committee today a set of figures which interested me very much, and which came, I understand, from the Building and Loan League. It shows the dollar and percent distribution of new loans made by all savings and loan associations for all purposes in the year 1937. It shows that the Federal members wrote 34.3 percent of the business; in 1938 they wrote 36 percent; in 1939 they wrote 40.6 percent; and in the first 3 months of 1940 they wrote 42 percent. The insured State and the uninsured State and the nonmembers wrote the balance of the business. As you go through this set of figures you find it broken down into divisions for home mortgages, for home construction, for refinancing of homes, for reconditioning of homes, for miscellaneous purposes; and in every case as you run through, from 1937 to 1940, you find a tremendous growth in the amount of business transacted by the Federal institutions.

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

Mr. CRAWFORD. I yield.

Mr. DONDERO. Does that mean an increasing invasion on the part of the Federal Government into the field of private enterprise?

Mr. CRAWFORD. No; I would not construe it that way. To me it means that building and loan associations which voluntarily desire to go Federal, we will say, proceed to do so and join the Federal family. The Federal family is picking up a greater and greater percentage of the total business written. If I am in error in my construction, I hope somebody will correct me, because I have had no chance to inquire closely into these figures.

Mr. DONDERO. If that pace continues, how long will it be before the Federal Government will control in some measure all of them?

Mr. CRAWFORD. If all the building and loan associations of the country put themselves in that position and then proceed to go Federal, thereafter 100 percent of the business will be handled by Federal institutions. But the thing that puzzles me more every day is why private business, as such, keeps pleading for the opportunity to have its business engineered and planned by Federal bureaus and Federal control. However, if an industry wants to do that, I do not know how we can prevent them from proceeding on that basis. If they just want to become children of the Federal Government, what is going to stop them? I am not so sure we can ever bring about enough influence here to stop them.

Mr. DONDERO. In other words, local self-government is vanishing from America?

Mr. CRAWFORD. In my firm opinion it is, and doing so very rapidly.

Mr. Chairman, amendments are to be offered by the gentleman from Kentucky [Mr. SPENCE] and the gentleman from Massachusetts [Mr. LUCE]. As far as I am personally concerned, I expect to support those amendments. If we can get a few good amendments added to this bill, I might be able to go along with it. I certainly hope all of the amendments offered by those two gentlemen will be approved by the House so that we may have a bill that we can vote for without having to hold our nose. Unless those amendments are agreed to, I have not the faintest idea that this bill will be approved by the Senate.

[Here the gavel fell.]

Mr. WILLIAMS of Missouri. Mr. Chairman, I yield 10 minutes to the gentleman from Pennsylvania [Mr. SACKS].

Mr. SACKS. Mr. Chairman, during the discussion this afternoon concerning the provisions of this bill, many statements have been made concerning the position of the Federal Government in the savings and loan association field. It seems to me that many of us might well recall 1929, 1930, 1931, and 1932 when the building and loan field was left entirely to supervision by the States. We can remember the catastrophe that came as a result of this supervision. In my own State of Pennsylvania millions of dollars were lost by people who had used the building and loan associations under State supervision to save their money so that in old age they would either have a home or would have some savings.

That is the supervision that the Republicans want to protect. This supervision by the States resulted in the loss of millions of dollars to the ordinary men and women who were working, and also resulted in the loss of their homes. This is the supervision that they are attempting at this time to protect.

I am against the Government being in the building and loan business, but I certainly am not against supervision of the building and loan associations by the Federal Government, because it is proven that since its inception the losses in the Federal building and loan associations have been negligible.

Mr. LEWIS of Ohio. Will the gentleman yield?

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

Mr. LEWIS of Ohio. Will the gentleman tell the Members of the House how many millions of dollars of investors' and depositors' money were lost in the failure of national banks under national supervision?

Mr. SACKS. I do not know the exact amount, but I feel all of that came as a result of an economic policy adhered to by this Government for a number of years prior to 1932.

The minority report on H. R. 6971, which would amend the Federal Home Loan Bank Act, the Home Owners' Loan Act,

and title IV of the National Housing Act, is a strange document. It was signed by the Republican members of our Banking and Currency Committee and by one other Member listed as a progressive. The report, for pure flight of fancy and for fearsome bogies, is a fitter product of imagination than of sound reason. When read without careful reference to the bill itself, the report appears to deal with sinister proposals for centralization of power of the Nation's thrift and credit resources which are applied to the financing of homes and appears to contemplate the destruction of commercial banks.

The report refers glibly to the setting up of a Nation-wide branch-banking system, the monetization of mortgages, and the centralization of credit under a politically controlled bureau. The report is so full of gross inaccuracies and misrepresentations that I would not give it any dignity or standing by referring to it except that some unfamiliar with the purposes of H. R. 6971 might be deceived by its innuendo and its sweeping charges into a belief that there is some foundation in fact for them.

If the Members of the House had time to do so, it would be illuminating to read the provisions of the bill and then examine the minority report. Any careful reading of the bill makes clear that the legislation sought is nothing more than an effort to correct and improve certain provisions of the acts referred to, so that in the light of experience they might be made to serve more fully the fundamental needs and purposes for which this Congress created them.

For more than 100 years we have had a group of thrift and lending institutions variously known throughout the country as building and loan associations, savings and loan associations, homestead associations, and cooperative banks. These institutions are locally owned and locally operated. In them the workingman and others of small income may place their savings and receive a moderate return. The common fund thus produced is invested in first-mortgage loans on homes. The institutions are mutual in character, operated by and for the benefit of their members through officers and managers of their choice. Their public need and their public service have never been questioned.

In 1913, under the Democratic administration of Woodrow Wilson, the Nation took a forward step in creating a Federal Reserve System to provide reserve funds for commercial banks in times of stress. In 1916 the organization and activities of the Farm Credit Administration were begun under legislation which began with the Federal Farm Loan Act and were amplified and perfected in the Farm Credit Acts of 1933, 1935, and 1937. During these years it was evident that there was general need of a reserve system for local thrift and home-financing institutions which would serve the needs of urban home owners and of those who placed their small savings in institutions of the building and loan type. In 1932 this need was met by the passage of the Federal Home Loan Bank Act. Companion legislation followed in 1933 and 1934 by the passage of the Home Owners' Loan Act, which, among other things, provided for the creation of Federal savings and loan associations and by title IV of the National Housing Act, which provided for the creation of the Federal Savings and Loan Insurance Corporation, created to insure the accounts up to $5,000 of those whose investments were placed in institutions covered by the Insurance Corporation.

H. R. 6971 makes no radical changes in the system thus set up. The original Federal Home Loan Bank Act authorized the creation of 12 regional home-loan banks and the inclusion in the membership of these banks of all building and loan associations, savings banks, life-insurance companies, and similar institutions engaged in making loans on urban homes who could qualify for membership. The law authorized these banks to make advances to member institutions on the security of home mortgages; that is, on first mortgages on properties designed for the residential use of from one to four families. In some cases members of the Federal home-loan banks are, under existing laws, authorized to make loans on the security of properties for more than four families. The present bill authorizes the Federal home-loan banks to make advances to their members on such collateral, provided the property is designed principally for residential use. The charge in the minority report that the bill "authorizes each Federal home-loan bank to make advances to its members on collateral secured by any first mortgage" is untrue.

Equally untrue is the charge that "this puts the members of the Federal home-loan banks in direct competition with banks, insurance companies, and other institutions making first-mortgage loans on business as well as home properties." I repeat, the only mortgages on which the Federal home-loan banks would be authorized to make advances to their members are those "designed principally for residential use," as the bill shows on its face.

Just as misleading, through half-truths, are the statements made with reference to the provision which would authorize the Secretary of the Treasury, in his discretion, to purchase obligations of the Federal home-loan banks. The purpose of this provision is to enable the Federal home-loan banks to obtain funds in times of financial stress and emergency when it might not be possible for them to sell their obligations in the open market. The Federal home-loan banks would thus be enabled to supply funds to their members in order to avert the danger of runs and frozen credits. Every dollar of the obligations so purchased by the Secretary of the Treasury would be supported by the sound mortgages held by the Federal home-loan banks as collateral for the advances made to their members and by the reserves and surplus of the member institutions to which the Federal home-loan banks had made advances. In purchasing these obligations, the Treasury would not only be averting the danger of panic and hysteria but would also be making a sound investment.

A particularly misleading statement appears in the minority report in this connection. The report states:

> Under other provisions of law, Federal home-loan banks are authorized to make advances to nonmember institutions over which the Board exercises little or no supervision. These advances tend strongly to impair the capital of the Federal home-loan banks and increase the possibility of losses which will have to be paid out of the Federal Treasury.

The minority report neglects to mention that such advances may be made only on the security of mortgages insured under title IV of the National Housing Act and then only to institutions which are approved mortgagees under said title and are subject to the inspection and supervision of a governmental agency. If a mortgage insured by the Federal Housing Administration is not good security the commercial banks and other financial institutions of the country are being sadly misled.

In the remainder of the minority report charges are made, wholly without proof, that H. R. 6971 enables the Federal savings and loan associations to "indulge in loose financial practices" and "puts the Federal savings and loan associations in the savings-bank business in competition with savings banks, cooperative banks, mutual savings banks, State-chartered building and loan associations, and other thrift institutions."

No basis whatever exists for these charges. At present, a Federal savings and loan association may make loans on its own shares and on first liens of not more than $20,000 on homes or combination home and business properties located within 50 miles of its home office, except that not more than 15 percent of its assets may be loaned on other improved real estate without regard to said $20,000 and 50-mile limitations but secured by a first lien. The present bill provides that where an institution applies and is so authorized by the Board because of its size or location it may lend up to an additional 15 percent of its assets on first liens on improved real estate upon which there is located one or more structures designed principally for residential use, without regard to the $20,000 limit but within the 50-mile zone. The purpose of this provision is to provide a means by which an association located in a metropolitan area, where there is a larger demand for apartment houses and multifamily properties and a relatively smaller demand for single-family properties, may lend a

slightly greater percentage of its assets on such larger properties, which must, however, be designed principally for residential use. In these metropolitan areas, as elsewhere, there is need for institutions in which the people may place their savings. There is also need to put these savings to work in the community where they are held, in building the kind of home that is in demand in the community. [Applause.]

Mr. FITZPATRICK. Will the gentleman yield?

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

Mr. FITZPATRICK. In what financial condition is the Federal home-loan bank today? That is, as to its surplus?

Mr. SACKS. It has a great surplus and it is in very fine financial shape.

[Here the gavel fell.]

Mr. WILLIAMS of Missouri. Mr. Chairman, I ask that the bill be read for amendment.

Mr. SPENCE. Mr. Chairman, I suggest the absence of a quorum.

The CHAIRMAN. The Chair will count.

Mr. SPENCE. Mr. Chairman, I temporarily withdraw the point of order.

The Clerk read as follows:

Be it enacted, etc., That (a) the first two sentences of subsection (a) of section 10 of the Federal Home Loan Bank Act, as amended, are amended to read as follows:

"SEC. 10. (a) Upon such terms and restrictions as the Board may impose, each Federal home-loan bank is authorized to make advances to its members, upon the security of (a) home mortgages, (b) first mortgages on real estate upon which there is located a structure or structures designed principally for residential use for more than 4 families in the aggregate, irrespective of whether any such structure has a party wall or is otherwise physically connected with any other structure or structures, or (c) obligations of, or fully guaranteed as to principal and interest by, the United States, subject to the following limitations as to amount:".

(b) Paragraph (3) of subsection (a) of section 10 of the Federal Home Loan Bank Act, as amended, is amended to read as follows:

"(3) If secured by a first mortgage given in respect of any other mortgage loan, the advance shall not be for an amount in excess of 50 percent of the unpaid principal of the mortgage loan; but in no case shall the amount of such advance exceed 40 percent of the value of the real estate securing the mortgage loan."

Mr. WILLIAMS of Missouri. Mr. Chairman, I ask unanimous consent that the further reading of the bill be dispensed with and that it may be now open for amendment.

The CHAIRMAN. Is there objection to the request of the gentleman from Missouri [Mr. WILLIAMS]?

Mr. WOLCOTT. Mr. Chairman, reserving the right to object, I do not want to do anything to disrupt the orderly debate of amendments to this bill; neither do I want to do anything to delay consideration of these amendments, but it will be recalled that the committee has not had this bill under consideration for about a year. I will make the bold confession that I have not read the bill for 11 months. I have many notes in my files concerning amendments which I expected to offer. In order to give us time to pull our thoughts together on them, possibly it might be well for the bill to be read. We will at least have that much time to consider it and whatever amendments we may have to offer. So, for the time being, I object to dispensing with the reading of the bill.

Mr. LUCE. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. LUCE: Beginning on line 3, page 1, strike out section 1.

Mr. LUCE. Mr. Chairman, this section, the next section, and one further on in the bill are the sections that concern what, for brevity's sake, I shall call power of the thrift institutions to lend large sums of money on apartment houses. It also would include business buildings, perhaps, although I think not. Anyhow, it is the apartment house thing that we want to get rid of. I have the impression or understanding that the gentlemen who are favoring this bill are willing to drop out the apartment houses in order to save what they consider to be the more important parts of the bill.

I would not like the House to understand that I guarantee this covers no provision that it is desirable to keep. If there is such a provision, this being a technical bill full of details that are hard even for one familiar with the general subject to understand, it may be that the destruction of these two sections will require the replacing of some provisions in them when the matter comes before the Senate. I do not think so, but it may be that the amendment goes too far. The only practical way that I see to determine the question at this moment is to strike out the whole section in order that we may declare our view as to this loaning on apartment houses.

To emphasize, and to repeat, perhaps, what I said before, I am against permitting the home institutions, the thrift institutions, to lend their money in a commercial market. They are, to be sure, pressed for chances to invest, because, by reason of the difficult times, people are now generally unwilling to take the ordinary places for investment.

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

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

Mr. BROOKS. Would the gentleman's amendment strike out small homes as well as the apartment-type home?

Mr. LUCE. No. If the gentleman will look at the last thing on the page he will see that the sentence reads—

for residential use for more than four families.

Mr. BROOKS. That is subsection (b), however. If the gentleman includes (a), would that not strike out the small homes, too?

Mr. LUCE. No. It is the intention to return the situation to just where it is now.

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

Mr. LUCE. Certainly.

Mr. CRAWFORD. How much does the gentleman's amendment strike out of the bill?

Mr. LUCE. The whole first section, halfway down page 2.

Mr. CRAWFORD. Down to and including line 15 on page 2?

Mr. LUCE. Line 15 on page 2.

Mr. CRAWFORD. I thank the gentleman.

Mr. LUCE. It may be that the last provision in there does not go to the core of the problem, but I am taking my chance on that, assuming that it would be put back in the Senate if it could be pointed out that some part of the section should still remain.

Our vote on this question will be whether we will permit the funds put there by the people of humble circumstances and people of moderate means, to be risked on what is, to me, a most dangerous type of investment, the investment in apartment houses. [Applause.]

[Here the gavel fell.]

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

The amendment was agreed to.

The Clerk read as follows:

SEC. 2. The first sentence of subsection (b) of section 10 of the Federal Home Loan Bank Act, as amended, is amended to read as follows:

"(b) No mortgage shall be accepted as collateral security for an advance by a Federal home-loan bank if, at the time such advance is made, the mortgage loan secured by it (1) has more than 25 years to run to maturity, or (2) exceeds $100,000, or (3) is past due more than 6 months when presented, unless the amount of the debt secured by such mortgage is less than 50 percent of the value of the real estate with respect to which the mortgage was given, as such real estate was appraised when the mortgage was made; each Federal home-loan bank may make advances to its members secured by obligations issued pursuant to this act, the National Housing Act, or other obligations, acceptable to the Board, which a member may lawfully have available, but no such advance shall exceed the market price or face value of such obligation, whichever is lower, and no such obligation shall be accepted as collateral security for an advance if such obligation is in default."

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

Mr. Chairman, I do not expect to make any argument about the matter, but I do this for the purpose of asking the gentleman in charge of the bill just a question or two. Do I correctly understand that section 2 of this bill would authorize the acceptance by the home-loan bank of a past-due mortgage that is as much as 6 months past due as collateral for a loan?

Mr. WILLIAMS of Missouri. Yes; under conditions set forth in the bill.

Mr. MAY. In other words, if it is 6 months until it is due it could be accepted?

Mr. WILLIAMS of Missouri. No.

Mr. MAY. But the home-loan bank would not be permitted to accept it as security for a loan if it was past due?

Mr. WILLIAMS of Missouri. It would if it was under that one condition; yes. The gentleman from Kentucky will notice that there is a provision in there reading as follows:

Unless the amount of the debt secured by such mortgage is less than 50 per centum of the value of the real estate with respect to which the mortgage was given.

In other words, if the security is more than double, they can afford to take it even though it is past due 6 months.

Mr. MAY. The matter I had in mind was this. I did not like the idea of a Federal institution being permitted to take as security paper that is past due, because it is usually discredited paper when it becomes past due and is not taken care of.

Mr. WILLIAMS of Missouri. It is only on that condition where the amount of the security is more than double the amount of the obligation. Then they figure that that would be perfectly safe security, even though it was 6 months past due.

[Here the gavel fell.]

The pro forma amendment was withdrawn.

Mr. LUCE. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. LUCE: Beginning on page 2, line 16, strike out all of section 2.

Mr. LUCE. Mr. Chairman, the same considerations apply to this section as apply to section 1 and the intent of the motion is the same as in that case. If there is anything desirable in the section apart from the apartment-house provision, I presume it will be put back in the Senate.

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

Mr. LUCE. I yield.

Mr. DIRKSEN. I thought the purpose of the section was just to leave existing law intact and make maturities conform with F. H. A. insured mortgages of 25 years. Is that correct?

Mr. LUCE. No; you will find in there the figure in the twenty-third line "exceeds $100,000."

Mr. DIRKSEN. That is added?

Mr. LUCE. That is new, so far as I know.

Mr. DIRKSEN. Would not the gentleman's purpose be accomplished by striking that out instead of the entire section?

Mr. LUCE. I think the section ought to be rewritten, and if there is anything there that ought to be kept, that can be done in the other branch.

Mr. DIRKSEN. Yes; I know the gentleman's familiarity with the matter.

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

Mr. LUCE. I yield to the gentleman.

Mr. CRAWFORD. In other words, striking out section 2 brings the bill back now to the present law wherever the rediscount privileges apply to mortgages on individual homes and apartments not to exceed four families.

Mr. LUCE. Yes.

Mr. CRAWFORD. And makes it correspond with the previous amendment offered.

Mr. LUCE. Yes.

The amendment was agreed to.

The Clerk read as follows:

SEC. 3. Section 11 of the Federal Home Loan Bank Act, as amended, is further amended by the addition of a new subsection as follows:

"(i) The Secretary of the Treasury, in his discretion, is authorized to purchase any obligations issued under the provisions of this act or title IV of the National Housing Act, and for such purpose the Secretary of the Treasury is authorized to use as a public-debt transaction the proceeds of the sale of any securities hereafter issued under the Second Liberty Bond Act, as amended, and the purposes for which securities may be issued under the Second Liberty Bond Act, as amended, are extended to include such purchases. The Secretary of the Treasury may, at any time, sell any of the obligations acquired by him under this subsection. All redemptions, purchases, and sales by the Secretary of the Treasury of such obligations shall be treated as public-debt transactions of the United States."

Miss SUMNER of Illinois. Mr. Chairman, I move to strike out the last word.

I do not intend to make a speech, but I think the attention of the House should be drawn to the fact that whereas in the Federal Reserve law the amount of money that can be issued on security tendered by the banks is limited, it is not limited in the case of mortgage loans, because you have new buildings all the time, and at present there are $17,300,000,000 of mortgage-residential debt in the United States, and that is gradually increasing. One objection I have to the bill is that there is this unlimited responsibility on the part of the Government. My other chief objection has already been covered by the adoption of the amendment of the gentleman from Massachusetts [Mr. LUCE].

The pro forma amendment was withdrawn.

Mr. WILLIAMS of Missouri. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Section 3, page 4, line 3, after the period insert the following: "The Secretary of the Treasury shall not at any time purchase under this subsection any obligations issued under the provisions of this act if such purchase would increase the aggregate principal amount of his then outstanding holdings of such obligations under this subsection to an amount greater than three times the aggregate amount of the then outstanding capital stock, reserves and surplus of the Federal Home Loan Banks. Likewise the Secretary of the Treasury shall not at any time purchase under this subsection any obligations issued under title IV of the National Housing Act if such purchase would increase the aggregate principal amount of his then outstanding holdings of such latter obligations under this section to an amount greater than three times the aggregate amount of the then outstanding capital stock, reserves and surplus of the Federal Savings and Loan Insurance Corporation."

Mr. WILLIAMS of Missouri. Mr. Chairman, I think that perhaps meets the objection just raised by the gentlewoman from Illinois [Miss SUMNER]. I am of the opinion that there should be some limitation, and the amendment that I have offered places a limitation upon it.

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

Mr. WILLIAMS of Missouri. Yes.

Mr. GIFFORD. I congratulate the gentleman. He is taking the viewpoint that I thought he would. There is a limitation here. Can the gentleman give us any idea of what the present amount would be, what is the amount of capital stock of these corporations?

Mr. WILLIAMS of Missouri. The capital stock of the home-owners' loan bank is $165,000,000.

Mr. GIFFORD. And this?

Mr. WILLIAMS of Missouri. One hundred million dollars.

Mr. GIFFORD. So that the obligation of the Government under this amendment would amount to less than $250,000,000?

Mr. WILLIAMS of Missouri. There is a limitation in the law as to the amount of bonds that the home loan banks may issue. There is no limitation on the debentures which the savings and loan insurance corporation may issue.

Mr. GIFFORD. Will the Treasury have the privilege of buying the obligations thereunder?

Mr. WILLIAMS of Missouri. I have had the notion, and so expressed myself in the committee that there should be a limitation on the amount. There is a limitation as I recall it on all of the others.

Mr. GIFFORD. I thank the gentleman.

Mr. WILLIAMS of Missouri. There is a limitation on the amount of bonds which the Treasury may purchase under this amendment. There are various other limitations on the amount of bonds which the home loan banks may issue, and while I have no fear of this being abused, yet I think as a matter of proper legislative procedure that a limitation should be placed there, and that is the reason that I have offered the amendment.

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

Mr. WILLIAMS of Missouri. Yes.

Mr. SMITH of Ohio. I do not quite understand the total amount that can be issued under this $165,000,000 of capital. I don't understand what the amount is.

Mr. WILLIAMS of Missouri. Three times the amount, though I am not sure that I understood the gentleman's question. If he means the amount which they may issue, that is one thing.

Mr. SMITH of Ohio. Not issue but guarantee.

Mr. WILLIAMS of Missouri. The amount which the Treasury may purchase under this amendment and have on hand at any one time is limited to three times the amount of the capital stock and surplus, but that is not a limitation upon the amount of issue.

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

The amendment was agreed to.

The Clerk read as follows:

SEC. 4. Section 17 of the Federal Home Loan Bank Act, as amended, is amended by adding at the end thereof the following:

"For the enforcement of its rights and powers and of its orders, rules, and regulations, the Board shall have power, by resolution, in its own name or in the name of the United States through the Attorney General, or using its own attorneys subject to the direction of the Attorney General, as the Attorney General may determine, to institute or otherwise voluntarily participate in and to prosecute to final satisfaction any action, suit, or other proceeding in any State, Federal, or other court. Any such action, suit, or other proceeding instituted in a district court of the United States shall be deemed to have been instituted by an officer of the United States authorized by law to sue, within the meaning of section 24 of the Judicial Code, as amended."

SEC. 5. (a) Section 20 of the Federal Home Loan Bank Act, as amended, is amended by inserting at the beginning thereof the letter "a" in parentheses, by striking the word "twice" where it appears in the first sentence, and by adding at the end of such section the following additional sentence: "Such examiners shall not use their powers, privileges, or position, directly or indirectly, for personal advantage."

(b) Section 20 of the Federal Home Loan Bank Act, as amended, is further amended by adding the following new subsection:

"(b) The Board shall have power to require each member of each Federal home-loan bank to make an annual report of its affairs to the Board as of the end of each calendar year, or as of such other date as the Board may permit, upon forms prescribed by the Board and to require such additional information as the Board by resolution may request. The Board shall have power to examine, audit, and supervise (1) federally or State-chartered institutions insured under title IV of the National Housing Act; and each such insured institution, by accepting the benefits of such insurance, agrees to permit and pay for such examinations, audits, and supervision by the Board; (2) other members of the Federal home-loan banks, if such members are not subject to State examination and supervision or if, in the judgment of the Board, State examination and supervision is inadequate for the protection of such banks, other members, and the public; and each such member, by the acceptance of the benefits of membership in a Federal home-loan bank, agrees to permit and pay for such examinations, audits, and supervision."

(c) The third sentence of section 8 of the Federal Home Loan Bank Act, as amended, is hereby repealed.

Mr. SPENCE. Mr. Chairman, I offer the following amendment, which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. SPENCE: Add to section 5, subsection (b), page 5, line 25, the following: "The Board is authorized to accept, in whole or in part, reports of examinations and audits made by independent public accountants or public supervisory authorities to the extent that such reports will serve the purposes of the Board. Reports of audits and examinations made by independent accountants and public supervisory authorities and made available to the Board by the associations examined shall be considered, and if determined by the Board to be adequate and reliable, such association shall not be charged for duplicate auditing or examination for the same period."

Mr. SPENCE. Mr. Chairman, this merely enlarges the powers of the Home Loan Bank Board and gives it the authority to accept these examinations if they are adequate and satisfactory. There is nothing mandatory in the provision. There has been quite an imposition on some of these institutions by reason of the amounts that are required to be paid for these examinations, and what can be the objection to allowing the Board to accept an examination that is adequate and satisfactory if the Board desires to do so? This amendment not only has the endorsement of all of the building, savings, and loan associations, but it has the approval of all the large organizations of accountants. I hope and trust the amendment will be adopted, together with the other amendment which I shall offer.

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

Mr. SPENCE. Yes; I yield to the gentleman from Michigan.

Mr. CRAWFORD. The gentleman's amendment reads "independent public accountants." In the country we have certified public accountants and we have accountants, members of the American Institute of Accountants, and we have independent public accountants who might be senior bookkeepers who open an office to perform accountancy work and who know very little about first-class bookkeeping, as a matter of fact. Would the gentleman be willing to accept substitute language and make that a certified public accountant?

Mr. SPENCE. Yes. My idea in that was that they did not have to be supervisory authorities, but accountants certified by the proper authorities. If the gentleman thinks it will be more acceptable to strike out the word "independent," I would be perfectly willing to have that done.

Mr. CRAWFORD. It will give public protection.

Mr. SPENCE. There are independent certified public accountants that are not connected with any supervisory institution, or the State, and it was the purpose to include those men who are authorized to do this work, but who are not connected with a State or any of its subdivisions, who are independent, certified accountants.

Mr. DIRKSEN. Mr. Chairman, I think to the degree the gentleman uses the language, to that extent it will serve the public and the Board. It is resilient enough to satisfy the Board, it seems to me.

Mr. SPENCE. It merely gives them the power to do it if they decide to. It leaves it in the discretion of the Board.

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

Mr. SPENCE. I yield.

Mr. STEAGALL. I suggest to the gentleman from Kentucky that he modify his amendment as suggested by the gentleman from Michigan; and I may say that I do not believe there will be any trouble in having it passed; for I do not think there is any objection to it.

Mr. CRAWFORD. What I wish is this, if the gentleman will permit, that if in their judgment they need an audit made that it be by an independent certified public accountant.

Mr. SPENCE. The modification is agreeable to me.

Mr. CRAWFORD. The audit should be by a certified public accountant because then it is done by a person the State approves.

Mr. SPENCE. Mr. Chairman, I ask unanimous consent to modify my amendment by striking out the word "independent" and inserting in lieu thereof the word "certified."

The CHAIRMAN. Without objection the amendment will be modified accordingly.

There was no objection.

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

The amendment was agreed to.

Mr. FERNANDEZ. Mr. Chairman, I move to strike out the last word in order to register in the RECORD the opposition of certain building and loan organizations in New Orleans to this particular section. In this connection I read two telegrams and a letter I have received from the Central Homestead Association of New Orleans and my reply thereto:

NEW ORLEANS, LA., *March 7, 1940.*

HON. H. J. FERNANDEZ,

House of Representatives Building, Washington, D. C.:

As president of Southwestern Building and Loan Conference representing associations in the States of Arkansas, Colorado, Kansas, Louisiana, Mississippi, Missouri, New Mexico, Oklahoma, and Texas, the majority of which associations are State-chartered institutions, I must advise that there is serious objection to section 5 of House bill 6971, which in its present form gives supervisory power over State-chartered associations to the Federal Home Loan

Bank Board. State-chartered institutions are rightfully creatures of the several States authorizing their operation and supervisory powers over these institutions rightfully belong to the State banking departments of the various States. Enactment of House bill 6971 will be a usurpation of powers rightfully belonging to a State by an agency of the Federal Government, and I ask that the bill referred to be returned to the committee for redrafting of the objectionable features referred to or killed outright in its present form. Kindest personal regards.

ALLEN H. GENERES.

NEW ORLEANS, LA., *May 7, 1940.*

Hon. H. J. FERNANDEZ,
House of Representatives Building, Washington, D. C.:

Our association, comprised of over 2,000 shareholders, vigorously objects to section 5 of House bill 6971 which gives supervisory power over State-chartered institutions to the Federal Home Loan Bank Board. This is definitely an infringement on State rights and a usurpation of powers of supervision rightfully belonging to the State Banking Department of Louisiana. We ask that House bill 6971 be returned to the committee for redrafting or killed outright in its present form.

CENTRAL HOMESTEAD ASSOCIATION,
C. E. WHITMORE, *Secretary.*

HOUSE OF REPRESENTATIVES,
Washington, D. C., March 8, 1940.

Mr. ALLEN H. GENERES,
Care Conservative Homestead Association, Audubon Building, New Orleans, La.
Mr. C. E. WHITMORE,
Secretary, Central Homestead Association, Audubon Building, New Orleans, La.

GENTLEMEN: I acknowledge your night telegrams of last night in opposition to section 5 of H. R. 6971, designed to give the Federal home-loan bank "the power to examine, audit, and supervise (1) federally or State-chartered institutions insured under title IV of the National Housing Act; and each such insured institution, by accepting the benefits of such insurance, agrees to permit and pay for such examinations, audits, and supervision by the Board; (2) other members of the Federal home-loan banks, if such members are not subject to State examination and supervision or if, in the judgment of the Board, State examination and supervision is inadequate for the protection of such banks, other members, and the public; and each such member, by the acceptance of the benefits of membership in a Federal home-loan bank, agrees to permit and pay for such examinations, audits, and supervision."

From my point of analysis, there may be some justification in Federal examination, audit, and supervision if the State's supervision is unsatisfactory for the general welfare of the public involved. However, I do not feel, even in those particular cases, that the Federal Government should supersede State authority, but be supplemental thereto; also that such Federal scrutiny should be made only under extraordinary circumstances warranting such action.

Please let me know how you feel about this.

Sincerely,

J. O. FERNANDEZ.

CENTRAL HOMESTEAD ASSOCIATION,
New Orleans, March 12, 1940.

Hon. J. O. FERNANDEZ,
House of Representatives Building, Washington, D. C.

DEAR MR. FERNANDEZ: Replying to your letter of March 8 regarding section 5 of H. R. 6971, we beg to point out the following:

Our objection to this bill is not to the power granted the Federal home-loan bank to examine or audit our records. At the present time examiners of the Federal Home Loan Bank Board make annual examinations of State-chartered institutions that are insured, which are also subject to complete audit by the examiners of the Federal Home Loan Bank Board in the event the audit which they have made is not satisfactory to the said Board.

However, at the present time the Board is not vested with the right of supervision, which power is presently vested in the State banking departments of the respective States.

We can even agree that if State supervision is unsatisfactory for the general welfare of the public involved, there may be justification for the Federal Home Loan Bank Board to give such supervision; but under the act as it is presently framed, the power to examine, audit, and supervise federally State-chartered institutions insured under title IV of the National Housing Act is granted without any qualification, and only in the case of members of the Federal home-loan bank which are not insured is there a qualification that the supervision shall be exercised in the event there is not State supervision, or if, in the judgment of the Board, State supervision is inadequate.

In other words, where a State-chartered institution is insured, it is subject to supervision by the Federal Home Loan Bank Board regardless of the degree of supervision given by the State banking department; and from the wording of the act, particularly that section giving the Federal Home Loan Bank Board the right to go into any court, whether State or Federal, in order to have its regulations enforced, it would seem to indicate that the supervision of the Federal Government should supersede State supervision and not be supplemental thereto.

We wish to thank you for the interest shown in this matter, and sincerely trust that you will get our point of view and do what you are able to maintain the right of State supervision.

Yours very truly,

C. E. WHITMORE, *Secretary.*

Mr. Chairman, I may say in conclusion that I shall vote for the passage of the bill because it contains many sections that are beneficial.

By unanimous consent the pro forma amendment was withdrawn.

The Clerk read as follows:

SEC. 6. Section 21 of the Federal Home Loan Bank Act, as amended, is amended to read as follows:

"(a) Whoever makes any statement, knowing it to be false, or whoever willfully overvalues any security, for the purpose of influencing in any way the action of a Federal Home Loan Bank or the Board, a member of a Federal Home Loan Bank, or the Federal Savings Insurance Corporation upon any application, advance, discount, purchase, or repurchase agreement, or loan, or any extension thereof by renewal, deferment, or action or otherwise, or the acceptance, release, or substitution of security therefor, shall be punished by a fine of not more than $5,000 or by imprisonment for not more than 2 years, or both.

"(b) Whoever (1) falsely makes, forges, or counterfeits any note, debenture, bond, or other obligation, or coupon, or share account, in imitation of or purporting to be a note, debenture, bond, or other obligation, or coupon, or share account issued by the Board, a Federal Home Loan Bank, a member of a Federal Home Loan Bank, or the Federal Savings Insurance Corporation; or (2) passes, utters, or publishes, or attempts to pass, utter, or publish, any false, forged, or counterfeited note, debenture, bond, or other obligation, or coupon, or share account, purporting to have been issued by the Board, a Federal Home Loan Bank, a member of a Federal Home Loan Bank, or the Federal Savings Insurance Corporation, knowing the same to be false, forged, or counterfeited; or (3) falsely alters any note, debenture, bond, or other obligation, or coupon, or share account, issued or purporting to have been issued by the Board, a Federal Home Loan Bank, a member of a Federal Home Loan Bank, or the Federal Savings Insurance Corporation; or (4) passes, utters, or publishes, or attempts to pass, utter, or publish, as true any falsely altered or spurious note, debenture, bond, or other obligation, or coupon, or share account, issued or purporting to have been issued by the Board, a Federal Home Loan Bank, a member of a Federal Home Loan Bank, or the Federal Savings Insurance Corporation, knowing the same to be falsely altered or spurious, shall be punished by a fine of not more than $10,000 or by imprisonment for not more than five years, or both.

"(c) Whoever, being connected in any capacity with the Board or a Federal home-loan bank, a member of a Federal home-loan bank, or the Federal Savings Insurance Corporation, (1) embezzles, abstracts, purloins, or willfully misapplies any moneys, funds, securities, or other things of value, whether belonging to or pledged or otherwise entrusted to said Board, a Federal home-loan bank, a member of a Federal home-loan bank, or the Federal Savings Insurance Corporation; or (2) with intent to defraud the Board, a Federal home-loan bank, a member of a Federal home-loan bank, or the Federal Savings Insurance Corporation, or any other body politic or corporate, or any individual, or to deceive any officer, auditor, or examiners of the Board or a Federal home-loan bank, a member of a Federal home-loan bank or the Federal Savings Insurance Corporation, makes any false entry in any book, report, or statement of or to the Board, a Federal home-loan bank, a member of a Federal home-loan bank, or the Federal Savings Insurance Corporation, or, without being duly authorized, draws any order or issues, puts forth, or assigns any note, debenture, bond, or other obligation, or draft, mortgage, judgment, or decree thereof, shall be punished by a fine of not more than $10,000 or by imprisonment for not more than 5 years, or both."

"(d) It shall be unlawful for any individual, firm, partnership, association, or corporation (1) which is not such an institution to use the words 'Federal home-loan bank,' 'Federal savings and loan association,' or 'Federal Savings Insurance Corporation,' or a combination of the word 'Federal' with any of such words, as a name or a part of a name under which he or it shall do business except in the case of a name under which business is being done at the time of the enactment of this act); (2) which is not such an institution to advertise or represent in any way that he or it is a Federal home-loan bank, a Federal savings and loan association, or Federal Savings Insurance Corporation, or to publish or display any sign, symbol, or advertisement reasonably calculated to convey the impression that he or it is a Federal home-loan bank, a Federal savings and loan association, or Federal Savings Insurance Corporation; or (3) which is not a member of a Federal home-loan bank to advertise or represent in any way that he or it is such a member, or to publish or display any sign, symbol, or advertisement reasonably calculated to convey the impression that he or it is such a member. Every association, partnership, firm, or corporation violating any provision of this subsection shall be guilty of a misdemeanor and shall be subject to a fine of not exceeding $1,000. Any individual violating

any provision of this subsection, or any officer or director of any association or corporation or any member of any firm or partnership violating any provision of this subsection, who participates in, or knowingly acquiesces in, any such violation shall be guilty of a misdemeanor and shall be subject to a fine of not exceeding $1,000 or to imprisonment not exceeding 1 year, or both. Any violation of any provision of this subsection may be enjoined by the United States district court having jurisdiction, at the instance of any United States district attorney, the Federal Home Loan Bank Board, or a Federal home-loan bank, a Federal savings and loan association, or the Federal Savings Insurance Corporation.

"(e) The provisions of sections 29, 30, 32, 35, 37, 39, 112, 113, 114, 115, 116, 117 of the Criminal Code of the United States (U. S. C., title 18, secs. 73, 74, 76, 80, 82, 83, 88, 91, and 202 to 207, inclusive), insofar as applicable, are extended to apply to Federal home-loan-banks and members thereof, and to Federal Savings Insurance Corporation and to contracts or agreements of any Federal home-loan bank and members thereof, and the Federal Savings Insurance Corporation, which, for the purposes hereof, shall be held to include advances, loans, discounts, insurance, and purchase and repurchase agreements; extensions and renewals thereof; and acceptances, releases, and substitutions of security therefor.

"(f) Any person who willfully and knowingly makes, circulates, or transmits to another or others any statement or rumor, written, printed, or by word of mouth, which is untrue in fact and is directly or by inference derogatory to the financial condition or affects the solvency or financial standing of a Federal home-loan bank, a member of a Federal home-loan bank, or the Federal Savings Insurance Corporation, or who knowingly counsels, aids, procures, or induces another to start, transmit, or circulate any such statement or rumor, is guilty of a misdemeanor, punishable by a fine of not more than $1,000 or by imprisonment of not exceeding 1 year or both.

"(g) As used in this act, the term 'examiner' means any person employed by the Board, a Federal home-loan bank, or by the Federal Savings Insurance Corporation to make examinations. No such institution, no member of a Federal home-loan bank, no institution which is insured by the Federal Savings Insurance Corporation, and no officer, director, employee, attorney, or agent thereof, shall hereafter knowingly make any loan or grant any gratuity to any examiner who examines or has authority to examine it. Any such officer, director, employee, attorney, or agent violating this provision shall be deemed guilty of a misdemeanor and shall be imprisoned not exceeding 1 year or fined not more than $5,000, or both, and may be fined a further sum equal to the money so loaned or gratuity given. Any examiner who shall accept a loan or gratuity from any institution examined by him, or from any officer, director, employee, attorney, or agent thereof, or who shall steal or unlawfully take, or unlawfully conceal, any money, note, draft, bond, share account, or security or any other property of value in the possession of any such institution, or from any safe deposit box in or adjacent to the premises of such institution, shall be deemed guilty of a misdemeanor and shall, upon conviction thereof in any district court of the United States, be imprisoned for not exceeding 1 year or fined not more than $5,000, or both, and may be fined a further sum equal to the money so loaned, gratuity accepted, or property stolen, and shall forever thereafter be disqualified from employment by the Board, a Federal home-loan bank, or member thereof, or the Federal Savings Insurance Corporation, or any institution insured by it. No examiner shall perform any other service for compensation, while holding such office, for any institution which he has authority to examine or for any officer, director, employee, attorney, or agent thereof. No examiner, officer, director, employee, attorney, or agent of the Board, a Federal home-loan bank, or the Federal Savings Insurance Corporation shall disclose the names of borrowers or investors or the collateral for loans of, or other facts confidential to the management and not otherwise publicly disclosed regarding any institution examined by him to any person other than the Board, a Federal home-loan bank, or the Federal Savings Insurance Corporation, their officers and employees, or to the proper officers of such institution, without first having obtained express permission in writing from his respective employer, or from the boards of directors of the institutions examined, except when ordered to do so by a court of competent jurisdiction or by direction of the Congress of the United States, or of either House thereof, or any committee of Congress, or of either House duly authorized. Any person violating any of the provisions of the last two sentences shall be imprisoned not more than 1 year or fined not more than $5,000, or both."

SEC. 7. (a) The ninth sentence of subsection (c) of section 4 of Home Owners' Loan Act of 1933, as amended, is hereby amended by striking the period at the end thereof and adding a colon and the following: "*Provided,* That any building now or hereafter owned by the Corporation in the District of Columbia and used principally as an office building of the Corporation, together with the land upon which the same stands, and all appurtenances, buildings, and land used principally in connection therewith, shall be exempt from any and all taxation heretofore or hereafter imposed."

(b) The fourth sentence of subsection (d) of section 4 of the Home Owners' Loan Act of 1933, as amended, is hereby amended by striking the word "fifteen" in the phrase "not to exceed 15 years", and inserting in lieu thereof the word "twenty-five."

Mr. BARRY. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. BARRY: Page 13, line 13, after the word "imposed", strike out subsection (b) (lines 14 to 18, inclusive) and insert the following language:

"That the sixth sentence of section 4 of the Home Owners' Loan Act of 1933, as amended, is further amended as follows: The Corporation must at any time grant an extension of time to any home owner for the payment of principal or interest owed by him to the Corporation or must at any time during the existence of the mortgage grant an extension and revision of its terms to provide for the amortization by means of monthly payments sufficient to retire the interest and principal within a period not to exceed 25 years from the date of its execution if the home owner was in arrears in his payments of either interest, principal, or taxes on May 1, 1940."

Mr. BARRY. Mr. Chairman, the section my amendment strikes out was enacted into law last year by this House as a separate bill and was signed by the President. It gives the corporation the right to extend the amortization period for 10 years. My amendment is designed to carry out what I believe to be the intent of the amendment we adopted last year.

Let me point out to the House briefly that when the Corporation ended its work there were 1,018,171 loans. On April 1 of this year the Corporation authorized the foreclosure of 203,891 loans. This leaves a balance of 814,280. Of this amount, Mr. Fahey testified before our committee when he appeared in behalf of this bill that there were 435,207 loans paid up to date. This leaves a balance of 379,073 loans now in distress but not in sufficient distress to be foreclosed. My amendment does not affect the 435,207 loans that are paid up to date. It applies merely to the 379,000, and makes it mandatory upon the Corporation to extend the 10-year amortization period which we passed last year. The Corporation has undertaken this work within the discretion granted it by the law, but there has been considerable complaint by people who feel they should be granted this relief. Others believe that they have not received a sufficient amount of relief.

I feel that we should do everything within reason to try and save these 379,000 loans now in distress. We passed legislation to carry out a housing program with Government subsidies. We passed legislation to permit home building under the Federal Housing Act with the liberal terms and with a small down payment and with 25 years in which to pay it off. I think the House should take into account those families who have been living in these H. O. L. C. homes for a great many years and not foreclose unless it actually has to, unless they are a total bad risk, because after we get the houses we merely spend a lot of money on repairs. The Corporation pays a lot of money in foreclosure costs. Then it turns around and rents them for an amount equal to and in many cases less than what the home owner can now pay, or it sells the houses in the real-estate market at a very substantial loss.

I hope the amendment will be adopted. [Applause.]

Mr. STEAGALL. Mr. Chairman, the gentleman from New York has just called attention to a liberal provision formerly adopted with reference to the extension of defaulting mortgages held by the Home Owners' Loan Corporation. Attention has been called during this debate to the losses that have necessarily been incurred under the operation of the Home Owners' Loan Corporation, losses at which I do not complain—losses that it might be fair to say were contemplated when the act was passed, because the legislation was intended to take care of citizens facing immediate loss of their homes. It was in the nature of an altruistic endeavor. But, Mr. Chairman, this amendment would give to any borrower the right to say whether or not his mortgage should be extended. It would take out of the hands of the Board all their powers and discretion in the administration of the law insofar as extension of mortgages is concerned. It seems to me to be going so far that it is almost unthinkable that a Member of the House would seriously advocate it. The proposal would be unjust and unfair to borrowers who are meeting their obligations.

Mr. BARRY. Will the gentleman yield?

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

Mr. BARRY. This amendment does not affect the 435,000 Federal mortgages that are now paid up to date. It applies only to those who were in arrears on May 1, 1940, and I have selected that date so that if this amendment should pass, the people who are paid up to date cannot lapse their payments.

Mr. STEAGALL. Well, true, it applies only to mortgagors whose mortgages were in default on the 1st of May, but with that qualification all I have said applies.

Miss SUMNER of Illinois. Will the gentleman yield?

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

Miss SUMNER of Illinois. May I direct the gentleman's attention to a report issued by the Federal Home Loan Bank Administrator, after the bill was in our committee, in which it is stated that there were only 13 States now with moratoriums on mortgages and he thought that conditions in the country no longer warranted moratoriums. This in effect is a moratorium.

Mr. STEAGALL. Yes. It is unfair to the mortgagors who make the necessary sacrifice to pay.

Mr. BROOKS. Will the gentleman yield?

Mr. STEAGALL. I yield to the gentleman from Louisiana.

Mr. BROOKS. I am wondering if the 379,000 mortgages in default as of May 1 will reduce the losses of the H. O. L. C. when it takes over that many homes because of default in payments? I notice the wholesale advertisements in some of the papers of these little homes which have been taken over in large numbers. It seems to me it has a depressing effect upon the real-estate market to advertise homes in wholesale quantities which have been taken over as a result of the fact that an owner has not been able to keep up with his payments.

Mr. STEAGALL. Whenever it is decided that we are not going to try to enforce collection of these mortgages, we invite defaults.

Mr. BARRY. Will the gentleman yield further?

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

Mr. BARRY. In answer to the gentlewoman from Illinois [Miss SUMNER] may I say this is not a moratorium. This merely spreads the principal payments over an extra 10 years that we gave the right to the corporation to do last year. There is no moratorium involved.

Miss SUMNER of Illinois. When you leave it to the discretion of the borrower, you in effect give him a moratorium.

Mr. BARRY. No. This spreads the payment over an additional 10 years and the corporation is doing that in many cases now.

Miss SUMNER of Illinois. This would be a temporary moratorium, at least.

Mr. BARRY. It is not a moratorium at all. The payments are only spread over the 10 years.

[Here the gavel fell.]

Mr. DIRKSEN. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, in the first place, the Home Owners' Loan Corporation has permissive authority to liberalize to a certain extent now, so that the amendment offered by the gentleman from New York [Mr. BARRY] would become unnecessary. Secondly, he has used the word "must" in his amendment. The mortgagee tenant can commit waste, tear up all the wallpaper, ruin all the floors; yet if he is in default, the Corporation could not secure possession under this amendment. I will not lend my vote to that kind of amendment, and I hope it is voted down.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York [Mr. BARRY].

The amendment was rejected.

Mr. FITZPATRICK. Mr. Chairman, I offer an amendment, which I send to the Clerk's desk.

The Clerk read as follows:

Amendment offered by Mr. FITZPATRICK: On page 13, line 18, after the word "twenty-five", add a new subsection, to read as follows:

"(c) That subsection (d) of section 4 of the Home Owners' Loan Act, as amended, is amended by adding the following:

"'That the rate of interest on the unpaid balance of the obligation of any home owner to the Corporation under this act outstanding on the date this paragraph takes effect, or on the unpaid balance of any such obligation incurred after such date, shall not exceed 3½ percent per annum.'"

Mr. FITZPATRICK. Mr. Chairman, I am offering this amendment to bring a little relief to the distressed property owners who are trying so hard to hold their homes, which are so near and dear to each and every one of them.

However, I feel that I should say a word or two about the Home Owners' Loan Corporation. This Corporation, in my opinion, has been managed in a most efficient manner. I doubt if there is any private organization in the United States that has been handled with more economy or efficiency than this Corporation.

After the Home Owners' Loan Corporation Act was passed, this Corporation took over more than a million mortgages of distressed property owners in this country. Most of these mortgages were in such a condition that it was only a matter of time when foreclosures would have taken place. However, I understand that over 75 percent of these home owners will be able to save their homes, which I believe is a greater percentage than what is held by private mortgagors. This was brought about, no doubt, by the efficient management of the Home Owners' Loan Corporation. They had a very hard job on their hands, but they met the situation and are doing fine work in order to carry out the purpose of the act.

The amendment offered by me is to reduce the interest rate to 3½ percent, as I understand the Government is borrowing the money for around 2 percent.

For that reason I believe in justice to the distressed property owners of this country who are holding H. O. L. C. mortgages and for whom the interest rate should be reduced to 3½ percent. I hope the amendment offered by me will be approved by the Committee.

Mr. BARRY. Will the gentleman yield?

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

Mr. BARRY. On occasions this House on behalf of the farmers has overridden the President's veto message and has kept the farmers' rate of interest at 3½ percent. If it is consistent to do that, it should support the gentleman's amendment.

Mr. FITZPATRICK. I agree with the gentleman's statement, and I voted to keep the farmers' rate of interest at 3½ percent.

Mr. DIRKSEN. Will the gentleman yield?

Mr. FITZPATRICK. I yield to the gentleman from Illinois.

Mr. DIRKSEN. I may say to my good friend from New York that 30 days ago the chairman of the Home Loan Bank Board said that if this type of amendment is agreed to, providing for 3½ percent interest, it will cost the Federal Treasury $280,000,000 the first year. That is what it will cost if you approve this amendment.

Mr. FITZPATRICK. The Government borrows this money for less than 2 percent. It seems to me that if the home owners pay 3½ percent interest, the loss could not be as great as stated by the chairman of the Home Loan Bank Board to the gentleman from Illinois.

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

The question was taken; and on a division (demanded by Mr. FITZPATRICK) there were—ayes 40, noes 67.

So the amendment was rejected.

Mr. FITZPATRICK. Mr. Chairman, I offer a further amendment.

The Clerk read as follows:

Amendment offered by Mr. FITZPATRICK: On page 13, after the word "'twenty-five'", add a new subsection, to read as follows:

"(c) That subsection (d) of section 4 of the Home Owners' Loan Act, as amended, is amended by adding the following:

"'That a moratorium is hereby proclaimed forbidding, suspending, causing, and stopping the foreclosure of home owners' loan

mortgages by the Home Owners' Loan Corporation, its agents and employees, for a period of 2 years from the date of enactment: *Provided*, That the mortgagor pays the interest, taxes, and all other assessments levied against the mortgaged property except any part of the principal indebtedness.' "

Mr. FITZPATRICK. Mr. Chairman, the amendment I offered for a moratorium is to relieve the distressed property owners for 2 years from making payment on their principal and giving them a chance and opportunity to pay up their taxes without any loss to the citizens of this country, because after the 2-year moratorium they are to take up and pay the balance of the mortgage as prescribed in section 4 of the Home Owners' Loan Corporation Act.

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

Mr. FITZPATRICK. I yield to the gentleman from Kentucky.

Mr. MAY. Is it not a fact that under section 77 (b) of the Federal statute relating to bankruptcy all farm loans may have a moratorium of 3 years?

Mr. FITZPATRICK. Yes; and why should the home owners not receive the same consideration?

Mr. MAY. Simply on the payment of interest.

Mr. FITZPATRICK. Yes; and why not let the home owners have a moratorium of 2 years, as long as they pay their interest, assessments, and any other indebtedness?

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

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

Mr. THOMAS F. FORD. Is it not a fact that under the gentleman's amendment the Home Owners' Loan Corporation would make money and save itself from taking over a great mass of dead property and carrying it for 2 or 3 years, and flooding the market with foreclosed properties?

Mr. FITZPATRICK. There is not question about it. It would be money saved to the taxpayers throughout the country. I hope the amendment will be agreed to. [Applause.]

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

The question was taken; and on a division (demanded by Mr. FITZPATRICK) there were—ayes 31, noes 71.

So the amendment was rejected.

The Clerk read as follows:

SEC. 8. Subsection (c) of section 5 of Home Owners' Loan Act of 1933, as amended, is amended to read as follows:

"(c) Such associations shall lend their funds only on the security of their shares or on the security of first liens upon homes or combination home and business properties, as defined by regulations of the Board, within 50 miles of their home office, no such loan to exceed $100,000: *Provided*, That not more than $20,000 shall be loaned on the security of a first lien upon any one property upon which there is located a dwelling or dwellings designed principally for residential use for not more than four families in the aggregate, irrespective of whether such dwelling or dwellings have a party wall or are otherwise physically connected with another dwelling or dwellings. However, not exceeding 15 percent of the assets of any association may be loaned on any improved real estate, which by reason of its condition is not only marketable but is capable of producing income reasonably in relation to the payment of interest upon and the amortization of the loan secured thereby, and all other loan charges, without regard to said limitations on amount of loans, and without regard to said 50-mile limit but secured by a first lien thereon. Subject to regulations of the Board, associations upon application to and authorization by the Board, because of their size or location, may lend within the 50-mile limit and without regard to said $20,000 limitation, up to an additional 15 percent of their assets on any improved real estate upon which there is located one or more structures designed principally for residential use, irrespective of whether such structures have a party wall or are otherwise physically connected with other structures. All real estate owned as a result of the foreclosure of loans previously made within any such percentage of assets shall be included in computing such percentage of assets. Any portion of the assets of such associations may be otherwise invested only in obligations of, or fully guaranteed as to principal and interest by, the United States, the stock of a Federal home-loan bank, or obligations issued pursuant to the Federal Home Loan Bank Act, or the National Housing Act, or in other securities which are legal investments for fiduciary and trust funds and are approved by regulations of the Board. Also, upon application to and approval by the Board, an association may make loans under title I of the National Housing Act as now or hereafter amended. Subject to regulations of the Board, any association which is converted from a State-chartered institution may continue to make loans in the territory in which it made loans while operating under State charter."

Mr. LUCE. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. LUCE: Page 13, line 25, strike out "as defined by regulations of the Board."

On page 14, line 1, strike out "no such loan to exceed $100,000" and insert "loans made shall be subject to the same limitations on the principal amount of the loan and the type of property with respect to which the loan may be made as are applicable to cooperative banks or similar home financing institutions under the law of the State, Territory, or district in which the property with respect to which the loan is made is situated; however, this provision shall be applicable only to loans made after the date of the enactment of this act and shall not apply to loans made after such date with respect to which a binding commitment to make the loan is in effect on such date."

Also strike out, in line 16, the words "Subject to regulations", and all of lines 17 through 24, inclusive.

Mr. LUCE. Mr. Chairman, this amendment will do two things. It will complete the extermination of the apartment-house feature and it will provide by separate provision that no Federal bank can exceed the permissions given to the State bank in the particular State concerned. I pointed out previously that in Massachusetts we limit the loaning power of the cooperative banks to loans of $8,000 on an 80-percent-valuation basis. This would provide that a Massachusetts Federal bank could not make a larger loan. Those who may not have heard me before will remember that my desire is that the Federal and the State banks shall start on an even footing, and make the race honorably, squarely, and fairly, giving advantage to neither kind of bank. In Massachusetts the Federals, 28 of them, have an advantage now over the 180 cooperatives. In their advertising the Federals misrepresent, I fear sometimes, and certainly exaggerate the advantages from being shareholders in the Federal institution. Inasmuch as I helped create the Federal institutions I have no hostility toward them, but I want both sides to start even and have the same privileges and the same restrictions in a given State. Therefore, I present this amendment. [Applause.]

Mr. WILLIAMS of Missouri. Mr. Chairman, to some parts of this amendment, as far as I am concerned, I see no objection, such as the part making the provision conform to the amendments which have already been adopted; in other words, the striking out of the $100,000 limitation, limiting that as we have already done with the agreement entered into concerning section 1. However, as to the part of the amendment which requires the Federal savings and loan institutions to be standardized by the various laws of the different States, to my mind that is an impossible situation, if we are going to have a Federal system at all. The conditions and the laws under which building and loan associations may operate are different in all the States. There is a limitation placed upon the amount of loans which may be made in some States and in other States, I understand, there is no limitation at all. There is what is known as a legal list in some States in which a building and loan association may invest in certain securities.

These securities are entirely different in other States and now if we are to have a Federal system, a system that is set up by an act of Congress, a system that is regulated by a national board and by national examiners, it seems to me as a practical proposition it is almost impossible to administer it in accordance with the laws of all the different States of this Union, and for that reason, if the gentleman keeps his amendments combined in the shape they are at the present time, I will ask that they be voted down. Some of them, I want to say again, I have no objection to, and if the gentleman will separate them, I am satisfied that so far as the committee is concerned, there will be no objection to that part of the amendment, but the other part, it seems to me, is entirely impossible under our present system unless we are going to destroy the Federal system. We might just as well say we will place the national banks in our system under the rules and regulations and laws of the various States. It would be exactly analogous and for that reason that part of the amendment should not, and must not, be adopted.

Mr. LUCE. Mr. Chairman, I would have no objection to separating the amendment and taking the vote first on the first part of the amendment.

I ask unanimous consent that the amendment be separated and that the amendment be reported in that form.

The CHAIRMAN. Without objection, the amendment will be changed in the manner directed by the gentleman from Massachusetts, and the Clerk will report the first amendment.

There was no objection.

The Clerk read as follows:

Amendment offered by Mr. LUCE: On page 13, line 25, strike out "as defined by regulations of the Board", and on page 14, line 1, strike out "no such loan to exceed $100,000" and insert "loans made shall be subject to the same limitations on the principal amount of the loan and the type of property with respect to which loans may be made as are applicable to cooperative banks or similar home-financing institutions under the law of the State, Territory, or District in which the property with respect to which the loan is made is situated."

Mr. WILLIAMS of Missouri. Mr. Chairman, that is not a separation of the amendment along the lines contemplated by the gentleman from Massachusetts, as I understand it, and I would have to oppose the amendment in that shape.

Mr. LUCE. Mr. Chairman, I ask unanimous consent that I may withdraw the amendment for the time being, until it can be perfected, and return to this portion of the bill later.

The CHAIRMAN. The gentleman from Massachusetts asks unanimous consent to withdraw the amendment at this point and return to the section later. Is there objection?

There was no objection.

Mr. SPENCE. Mr. Chairman, I offer the following amendment, which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. SPENCE: Insert a new section between original sections 8 and 9, page 15, line 17, to be numbered 9, and renumber sections 9 to 17, inclusive, seriatim as 10 to 18, inclusive, the new section to read as follows:

"SEC. 9. Subsection (h) of section 5 of Home Owners' Loan Act of 1933, as amended, is amended by adding at the end thereof the following: 'Any exemption from taxation by the United States now or hereafter provided applicable to Federal Savings and Loan Associations or the shares thereof or the income therefrom shall likewise apply to any building-and-loan, savings-and-loan, homestead association, and cooperative bank organized under the laws of any State, Territory, dependency, or possession of the United States or the District of Columbia, and to the shares, deposits, and certificates of indebtedness issued by such associations and to the income derived therefrom: *Provided, however,* That nothing herein contained shall exempt any building-and-loan, savings-and-loan, homestead association, or cooperative bank, organized under the laws of the United States or of any State, Territory, dependency, or possession of the United States or the District of Columbia, from the provisions of the Social Security Act.'"

Mr. SPENCE. Mr. Chairman, this amendment seeks to do long-delayed justice. The National Congress has permitted men to organize corporations in States to do the very thing that State corporations have been doing for years, yet has given the national corporations certain privileges and immunities that it has denied to the corporations of the State. It seems to me this goes to a fundamental question, a principle on which our Government was founded. When the Supreme Court selected an inscription to be placed on the Supreme Court Building that would epitomize the spirit of our national institutions, they chose to engrave the words, "Equal justice under law," and that is the purpose of this amendment.

The income on the shares of the State associations is subject to the normal income tax of the shareholder. The income on shares of Federal associations is by law exempted from that tax. The national associations, therefore, have a certain advantage over the State associations that is unconscionable and unjustified.

It seems inconceivable that the National Government would authorize citizens of a State to create a corporation under the Federal laws and give to that corporation privileges and immunities which a corporation of the same character, organized exactly for the same purpose and to do the very things that the Federal Corporation is authorized to do, does not have. This amendment would merely exempt from normal income taxation the income on the shares of the State associations, just as the income on the shares of the Federal associations is now exempt, but would subject both to the provisions of the Social Security law. There may be a contention made that the income on the shares of both should be subject to this tax, rather than exempt the State associations as a means of doing justice. However, I think the peculiar services these institutions are rendering to the people of America would justify the exemption of the income on the shares of both from the normal income tax. The building associations are doing and have been doing what the Government has been attempting to do by subsidy and direct aid. We have made an effort to keep the home owner in his home by the organization of the Federal home-loan bank of the Federal Housing Administration and the Home Owners' Loan Corporation. We have recognized that the very basis of our civilization and the stability of our institutions are the homes of our people. We have recognized that the best way to combat subversive activities and sinister doctrines is to make this a land of home owners. The anarchist, the Communist, and all those who advocate doctrines inimicable to our institutions that would overthrow our present form of Government do not come from the homes of America. To be a home owner gives a man a sense of importance and stability, a sense of dominion that makes him feel that he has an interest in his community and in the Government and its institutions. A man who can put his foot upon his own land feels that he is an important citizen in the community in which he lives. A man's house is his castle, and so I say that because of the splendid services these institutions are rendering to the people, because of the money they are saving the National Government, which would have to furnish this aid either directly or by subsidy, those who invest their small periodic savings in these institutions are entitled to exemption from the normal income tax. I know of no way of discovering what this would mean in loss to the Government, but I venture to say it would be very little. Almost all the people who resort to building associations as a means of buying homes or saving are of moderate means. They are almost all married people and have an exemption from normal income tax of $2,500.

The average amount invested in shares is $700. If we say they yield 5 percent, that would be $35 a year in income. So we see that the loss to the Government would be very very little in doing this act of justice. Most of these people have comparatively meager incomes and the great majority of these shares would, because of the exemptions from the income tax, be exempt from the payment of this normal tax. However, the passage of this amendment would have the effect of promoting thrift and saving. It would be an act of simple justice that would be a stimulation to the future activities of the building and loan and savings and loan associations and other similar institutions. The income from postal savings, baby bonds, and credit unions, which are in direct competition with the building and loan associations, are exempt.

The Home Loan Bank Board has said there is no opposition on the part of the Board to this amendment.

It may be said that both State and Federal institutions should be taxed, but the fact of the matter is that the local associations have borne this burden for a long time and the Federals have been exempt from it. The just thing to do would be to give the local associations, the State associations, this exemption until some comprehensive measure can be considered by the Ways and Means Committee.

I hope and trust that this Committee will adopt this amendment. It means very little loss to the Government in revenue. It will stimulate these local institutions that have been carrying the burden of this fine activity for a long time and will give them the same rights and the same immunities the Federal associations have. [Applause.]

[Here the gavel fell.]

Mr. WILLIAMS of Missouri. Mr. Chairman, I offer a substitute amendment.

The Clerk read as follows:

Amendment offered by Mr. WILLIAMS of Missouri as a substitute for the amendment offered by Mr. SPENCE: On page 13, line 19, after the figure "8", insert "(a)".

On page 15, after line 16, insert the following new subsection:

"(b) Section 5 (h) of the Home Owners' Loan Act of 1933, as amended, relating to tax exemption of Federal savings and loan associations and their shares is amended to read as follows:

"'(h) Such associations, including their franchises, capital, reserves, and surplus, and their loans and income, shall be exempt from all taxation now or hereafter imposed by the United States except the taxes imposed by sections 1410 and 1600 of the Internal Revenue Code with respect to wages paid after December 31, 1939, for employment after such date. No State, Territorial, county, municipal, or local taxing authority shall impose any tax on such associations or their franchises, capital, reserves, surplus, loans, or income, or on the value of or income from shares thereof greater than that imposed by such authority on other similar local mutual or cooperative thrift and home-finance institutions or on the value of or income from shares thereof, respectively.'

"2. The amendment made by this subsection removing exemptions from Federal income tax on shares shall be applicable only to the income received after the date of the enactment of this act."

Mr. WILLIAMS of Missouri. Mr. Chairman, I am very sorry to be in disagreement with my friend, the gentleman from Kentucky.

The substitute just read sounds rather complicated, but in effect it is simple. The substitute makes income from building and loan associations in the hands of individuals subject to tax regardless of whether it is a State or a Federal institution. Under the present law the Federals are exempt. When I say "the Federals" I mean the income from the Federal institutions in the hands of the individual.

The present law is that all building and loan associations so far as the association itself is concerned—understand that—are not subject to any kind of Federal tax outside of the social-security tax. That is the only tax they pay. They do not pay any income tax. They do not pay any capital tax. They do not pay any corporation tax; they do not even pay any stock-transfer tax. They are absolutely Federal-tax free, except as above stated. This substitute does not involve that question at all.

The only question here is: Are you going to permit the individual who has his investments, who has his deposits in the building and loan associations of this country, and who receives an individual income from it—are you going to have him pay an income tax on that or not?

State and Federal institutions should be treated equally. The individual income from investments or deposits in State and Federal building and loan associations should be taxed alike. But such income should be taxed in each case instead of not taxed at all, as provided by the amendment of the gentleman from Kentucky. At this time when we are seeking all the avenues and fields possible to obtain revenue for the Treasury it is a remarkable suggestion we have here to expand the field of tax exemption and make the income from investments and deposits in building and loan associations tax free. Is it possible that we are going to let down the bars and say to the individual who has his investment, who receives his income, and interest on his deposits from these institutions, that he should not pay an income tax on that?

What reason or what excuse can there be for not making him pay the same income tax as is paid by the individual who has his investment in bank stock or in stock of any other corporation? I believe in equalizing the taxes between the Federal and the State building and loan associations, but instead of exempting all of them, as the amendment offered by the gentleman from Kentucky [Mr. SPENCE] would do, instead of exempting the income which the investors in these institutions receive, instead of exempting that from a normal income tax, my substitute makes them all subject to taxation.

Mr. SPENCE. Will the gentleman yield?

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

Mr. SPENCE. At the present time the United States savings bonds are exempt, the Federal Savings Loan Association shares, the National Mortgage Association obligations, and many others are exempt. Does not the gentleman think it would be a good thing to have the Ways and Means Committee go into these things and recommend an act that would be just and equitable among all of these organizations? For a long time the State associations have carried the load.

Mr. WILLIAMS of Missouri. All of those institutions the gentleman has mentioned are Federal agencies. The question whether or not we should remove the tax exemption as to Federal obligations is a question, of course, that is open to debate. We may lose more than we gain.

But there is not any question open to debate anywhere when it comes to what the individual receives on his investment in any kind of an enterprise. It is income to him, whether he receives it from a building and loan association or receives it from a bank-stock dividend or any kind of a dividend or any place else. There is not any just reason or excuse anywhere why an investment in a building and loan association should not be subject to an income tax. It is absolutely ridiculous to have these institutions, which have deposits or investments that may run into the hundreds of thousands of dollars, investments which draw 3- or 4-percent interest, and not tax them; say to them that they will not be subject to an income tax. It is not right, it is not just to anybody, and there is no reason and no sense in it. Let us make them pay a tax on all incomes received from these associations instead of paying no tax at all. [Applause.]

[Here the gavel fell.]

Mr. WOLCOTT. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, there was a great deal of discussion about this matter in the committee. We were split upon the question whether we would continue the policy of exempting from taxation the income from these shares in the Federals or to accept either one of these proposals to remove the tax-exempt features of this law as they applied to the federally chartered and State-chartered building and loan associations to tax all equally. Either one of these amendments, as I understand them, will equalize the taxes which the State-chartered and federally chartered institutions will have to pay. The only difference in principle between the two amendments, as I understand it, is that the Spence amendment would make all the institutions tax exempt, State-chartered as well as Federal-chartered; and the Williams amendment, contrary to that, would tax the Federal savings and loan associations on the same basis that the State-chartered associations are taxed.

In adopting the Williams amendment we would remove any advantage which the Federal savings and loan associations have over other thrift institutions. The income from savings deposits is not tax-exempt, the income from Morris Plan Bank shares, the income from cooperative bank shares or mutual savings bank shares are not tax-exempt. The only class of income from thrift institutions which is tax-exempt is that which the shareholders receive from the shares which they own in Federal savings and loan associations. That gives the Federal savings and loan associations a decided advantage over all other thrift institutions.

Personally, I very much favor the Williams amendment. We have been told in late months that it is the policy of the present administration to do away with tax-exempt securities as far as possible. The White House has, on several occasions, informed us that it objected to tax-exempt features in certain bills which we have passed. We have harmonized our differences and have removed the tax-exemption feature from very many security issues during the past few months. I cannot speak for the President in this respect, and I do not intend to, but it would seem to me if we adopted the Spence amendment today we would be doing something contrary to the announced policy of this and other administrations in respect to tax-exempt securities. I believe the best way of equalizing taxation is to adopt the Williams amendment.

Mr. SPENCE. Will the gentleman yield?

Mr. WOLCOTT. I yield to the gentleman from Kentucky.

Mr. SPENCE. The gentleman is a student of national finance. Can he tell us how much the Government would lose by the adoption of my amendment? Would it not be a very small amount?

Mr. WOLCOTT. It is more a matter of principle. It is a matter of advantage. If you had your choice between investing your money in the shares of a federally chartered institution, knowing that the income was to be tax exempt, and putting it into a State-chartered institution, knowing you would have to pay a tax on the latter, what would the gentleman do? It would give a decided advantage to the federally chartered institution over the State-chartered institution and other thrift institutions. My attention has been called to a specific case, of minor importance, to be sure, but the President has vetoed a bill which provided that tax-exempt bonds might be issued in respect to the Niagara Bridge. We passed a bill authorizing the issuance of those bonds and providing that the income from those bonds be tax exempt.

The President vetoed it, thereby establishing the policy that this administration is against tax-exempt securities.

Mr. SPENCE. Does the gentleman believe it is a sound governmental policy for a national government to invade the province of a State and say to the citizens of the State that they can organize a corporation that will have immunities and privileges that a State association does not have?

Mr. WOLCOTT. No; and I also do not believe the Federal Government should say to the States, "We can set up organizations and exempt their securities from taxation, but you shall not."

[Here the gavel fell.]

Mr. GIFFORD. Mr. Chairman, I rise in opposition to the amendment.

I recently called the attention of the Committee to the fact that I am between two fires. The gentleman from Missouri this afternoon argued so earnestly that because we had guaranteed everything else, why should we not guarantee these mortgages? Well, we have exempted everything else, why should we not exempt these? Why does not the gentleman from Kentucky use the same argument? It was so effective.

Mr. SPENCE. Does the gentleman want to know my opinion? I think it is a species of legislative impudence for the Congress of the United States to go into a State and let the people organize a corporation and give it certain immunities that the State corporation does not have.

Mr. GIFFORD. The point I want to bring out is that you now see the two gentlemen lined up against each other on this matter; now acknowledging that which I tried to point out, the competition between the federally-owned institutions and the State-owned institutions. The gentleman from Kentucky would like to help a little. I should like to help a lot. But it is a pleasure for me to listen to the acknowledgement of the two gentlemen now.

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

Mr. GIFFORD. Yes.

Mr. WILLIAMS of Missouri. I wonder if the gentleman is in favor of exempting this income from the tax?

Mr. GIFFORD. No.

Mr. WILLIAMS of Missouri. In other words, is the gentleman for the amendment or the substitute?

Mr. GIFFORD. No; I am voting for about every amendment offered to this bill today that makes it a little better.

Mr. WILLIAMS of Missouri. We have two amendments here.

Mr. GIFFORD. I shall vote for the gentleman's amendment. But I am calling the attention of the other gentleman to this: Why do you not use the Missouri gentleman's style of oratory? "They did it for everybody else, why not do this?"

[Here the gavel fell.]

The CHAIRMAN. The question is on the substitute amendment offered by the gentleman from Missouri [Mr. WILLIAMS] to the amendment offered by the gentleman from Kentucky [Mr. SPENCE].

The substitute amendment was agreed to.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Kentucky, as amended.

The amendment was agreed to.

Mr. LUCE. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. LUCE: On page 13, line 25, strike out "as defined by regulations of the Board."

On page 14, line 1, strike out "no such loan to exceed $100,000."

Also strike out in line 16, page 14, the words "Subject to regulations" and all of lines 17 through 24, inclusive.

Mr. LUCE. Mr. Chairman, that completes the apartment-house provisions.

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

The amendment was agreed to.

Mr. LUCE. Mr. Chairman, I offer a further amendment.

The Clerk read as follows:

Amendment offered by Mr. LUCE: On page 14, after the period in line 16, insert: "Loans made shall be subject to the same limitations on the principal amount of the loan and the type of property with respect to which the loan may be made as are applicable to cooperative banks or similar home-financing institutions under the law of the State, territory, or district in which the property with respect to which the loan is made is situated; however, this provision shall be applicable only to loans made after the date of the enactment of this act and shall not apply to loans made after such date with respect to which a binding commitment to make the loan is in effect on such date."

Mr. LUCE. Mr. Chairman, this provision is the one as to which the gentleman from Missouri and I differ in judgment. My own feeling is prompted by the situation in my own State, where the State law prohibits loans in excess of $8,000. The Federals—as I previously said, and I hope I shall have your patience while I repeat—are able to give larger loans than the State cooperatives can give. The provision here the gentleman from Missouri thinks is impracticable. It certainly will not be so in my State. It would only provide that the Federal shall be on the same footing with the cooperative banks and shall not have advantages which they may set forth in their advertising to take away business from the cooperative banks.

There ought never to have been any Federals in Massachusetts. We did not pass this law with the intention of putting any Federals in Massachusetts. We passed this law because one-half of the counties in the country had no thrift institution, and we created it for them. I somewhat regret that the Federal system saw fit to come into Massachusetts to compete with our State system. They have taken away 28 of our cooperative banks and turned them into Federals. This has produced an unfortunate result. The amendment simply provides that in this particular they shall be put on the same level and exposed to the same conditions.

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

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

Mr. RAMSPECK. Is it not true that in some States the State institutions have some privileges which the Federals do not?

Mr. LUCE. It is possible; I am familiar only with the situation in my own State.

Mr. WILLIAMS of Missouri. Mr. Chairman, I do not know that I shall take the 5 minutes, because I do not know that I have much to add to what I said a while ago. This is the same proposition that I previously objected to; and from the standpoint of the Federal associations, I do not believe there is any question about the fact that it could not work at all. Here is a sample of that: We have already limited now, under this other amendment which we have agreed to, these investments to $20,000. There are States, I understand, in which there is no limit at all, and still we would have the anomalous situation of having a Federal association located in one State where it could not make a loan anything like comparable to the loan made by the local or the State building and loan association. If we are going to have a Federal system, or if we are going to have Federal building and loan associations, they must certainly be regulated according to the Federal law and not be controlled and regimented by the laws of each individual State. It is utterly impossible to do this and carry on the system that we have already established,

and for that reason I certainly hope the amendment will be voted down.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Massachusetts [Mr. LUCE].

The question was taken; and on a division (demanded by Mr. LUCE) there were—ayes 53, noes 61.

So the amendment was rejected.

Mr. WILLIAMS of Missouri. Mr. Chairman, I ask unanimous consent that the further reading of the bill be dispensed with and that it be printed in the RECORD and that amendments may be offered at any point in the remaining portion of the bill.

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

There was no objection.

SEC. 9. Subsection (i) of section 5 of the Home Owners' Loan Act of 1933, as amended, is amended by striking the period at the end thereof and inserting a colon and the following: *"Provided, however,* That said conversion shall not be in contravention of the State law. Any association chartered as a Federal savings and loan association may convert itself into a thrift and home-financing institution or mutual savings bank incorporated under the laws of the State (hereinafter termed a 'State-chartered institution') in which the home office of such Federal association is located, upon the vote, cast at a legal meeting called to consider such action, specified by the law of such State as required for a State-chartered institution to convert itself into a Federal association, but in no event less than 51 percent of the votes cast at such meeting, provided legal titles are protected by such conversion or provided proper conveyances of legal titles are made: *And provided further,* That if any shares of such Federal association are held by the Secretary of the Treasury or the Home Owners' Loan Corporation, such conversion shall be subject to approval by the Board."

SEC. 10. Subsection (c) of section 401 of the National Housing Act, as amended, is amended to read as follows:

"(c) The term 'insured account' means any investment or interest in an insured institution whether in the form of a share of capital or a deposit or investment certificate, which investment or interest may be withdrawn by the holder or repurchased by the insured institution in whole or in part and the value thereof paid to the holder prior to the liquidation and payment of all of the liabilities of the institution upon the winding up of the institution, less any part thereof which is in excess of $5,000. The total insurance which any insured member may obtain in any one insured institution is $5,000, whether the insured member has one or more withdrawable or repurchasable accounts in such insured institution; and if such accounts are of a different priority, the Corporation shall have the right to determine upon the payment of insurance which of such accounts shall have the benefit of the $5,000 aggregate amount of insurance. Investments or interests in an insured institution which cannot be withdrawn or the value thereof paid to the holder until all of the liabilities of the institution have been fully liquidated and paid upon the winding up of the institution are not insurable, being nonwithdrawable accounts. The total amount of all accounts of the insured members of an insured institution is the total amount of withdrawable or repurchasable accounts credited or apportioned to all insured members, whether or not such withdrawable or repurchasable accounts are subject to a pledge and whether insured in full or only in part."

SEC. 11. Subsection (a) of section 402 of the National Housing Act, as amended, is amended by adding at the end thereof the following:

"On the effective date of this amendment to subsection (a) of section 402 of the National Housing Act, as amended, the name of the 'Federal Savings and Loan Insurance Corporation' shall be changed to 'Federal Savings Insurance Corporation.'"

SEC. 12. The last sentence of subsection (b) of section 402 of the National Housing Act is repealed, and the following inserted in lieu thereof: "The Corporation shall issue to the Home Owners' Loan Corporation receipts for payment for or on account of such stock, which shall serve as evidence of the ownership thereof, and when the reserve fund of the Corporation established under the provisions of section 404 of this title equals 5 percent of all insured accounts and creditor obligations of all insured institutions, such stock shall be entitled to the payment of dividends out of net earnings at a rate equivalent to that currently paid by the Government on its last issued bonds having a maturity of 10 years or more. Such dividends shall not be cumulative. Dividends heretofore accumulated but unpaid are hereby waived."

SEC. 13. (a) Subsections (a) and (b) of section 404 of the National Housing Act, as amended, are amended by striking the word "one-eighth" wherever it appears therein and inserting in lieu thereof the word "one-twelfth."

(b) Subsection (c) of section 404 of the National Housing Act, as amended, is amended to read as follows:

"(c) The one-twelfth of 1 percent per annum insurance premium rate shall be effective as of January 1, 1939. If an insured institution has paid a premium at a higher rate for any period of time beyond such date it shall receive a credit upon its future premiums in an amount equal to the excess premium so paid for the period beyond such date."

SEC. 14. Subsection (b) of section 405 of the National Housing Act, as amended, is amended to read as follows:

"(b) In the event of a default by an insured institution the Corporation shall promptly determine the insured members thereof and the amount of each insured account, and shall make payment of the insured accounts in such insured institution to each insured member as soon as possible upon surrender and transfer to the Corporation of each insured account free and clear of any lien or other encumbrance either (1) by making available to each insured member a transferred insured account in an insured institution not in default in the same community in an amount equal to the insured account so transferred, or (2) in such other manner as the board of trustees may prescribe: *Provided,* That the Corporation may require proof of the ownership of insured accounts and that in any case where the Corporation is not satisfied as to the ownership of an insured account, it may require the final determination of a court of competent jurisdiction before paying such insured account."

SEC. 15. Subsection (f) of section 406 of the National Housing Act, as amended, is amended to read as follows:

"(f) In order to prevent a default in an insured institution, restore an insured institution in default to normal operation as an insured institution, or minimize loss which the Corporation might otherwise suffer by reason of the liquidation of an insured institution in default, the Corporation is authorized, in its discretion, to make loans to, purchase the assets of, or make contributions to, any such institution."

SEC. 16. Section 407 of the National Housing Act, as amended, is amended to read as follows:

"SEC. 407. (a) Any insured institution other than a Federal savings and loan association may vote to terminate the insurance contract by a majority vote of all of the members of its board of directors or other similar governing body, unless under State law, the charter, constitution, or bylaws of any such institution, the shareholders only are entitled to vote on such question: *Provided,* That where such vote is reserved to the shareholders by State law, the charter, constitution, or bylaws, they shall have the sole power to vote to terminate the insurance contract. Upon a legal vote for the termination of the insurance contract, a notice of termination of such contract shall be sent to the Corporation at its office in Washington, District of Columbia, by registered mail, together with evidence satisfactory to the Corporation that the procedure required by this section has been duly complied with. The contract of insurance shall terminate at the close of business on the ninetieth day after the date of the registration of such notice of termination: *Provided, however,* That final termination of all insurance of accounts shall take effect as provided in subsection (d) of this section.

"(b) For any violation by an insured institution of any provision of this title, any rule or regulation made thereunder, or any agreement made pursuant to section 403, or otherwise, the Corporation, after allowing such insured institution an opportunity to be heard, may give such institution by registered mail a notice of termination of the insurance contract. The contract of insurance shall terminate at the close of business on the ninetieth day after the date of the registration of such notice of termination: *Provided, however,* That final termination of all insurance of accounts shall take effect as provided in subsection (d) of this section.

"(c) In the event such institution votes to terminate the insurance contract, written notice of such termination shall be given within 10 days to each insured member at the last address shown on the books of the institution. In the event the Corporation shall exercise its power to terminate the insurance contract of any insured institution at any time, such institution shall, within 10 days after receipt of the notice of termination provided in subsection (b) of this section, give written notice to each insured member as above provided of the fact of such termination of the insurance contract. In all cases, a copy of the notice sent to insured members in reference to the termination of the insurance contract of any institution shall be furnished to the Corporation, together with evidence that such notice was given as herein provided. In the event that, in the judgment of the Corporation, such notices given by an insured institution do not give adequate notice, the Corporation shall have the right, for the protection of insured members and the public, to give such additional notice as it deems to be appropriate.

"(d) In the event of termination of the insurance contract of any insured institution under the provisions of this section, no shares, certificates of deposit, investment certificates, or other accounts issued or created by such institution after the ninetieth day after the registration of such notice of termination of the insurance contract shall be insured; but the insured accounts of such institution, to the extent that they were insured on the ninetieth day after the registration of such notice of termination, less any amounts thereafter withdrawn or repurchased, shall remain insured for a period of 2 years after such date, which date shall be the effective date of the termination of insurance for all purposes. No payments on account of such insured accounts and no additions thereto by way of the credit of dividends or otherwise made or accrued after the ninetieth day after the registration of such notice of termination shall be insured. Such institution shall be obligated to pay within 30 days after the effective date of the termination of the insurance contract, as a final insurance premium twice the annual rate of premium last paid by such institution applied upon all accounts of the insured members of such institution plus all creditor obligations of such institution on

the ninetieth day after the registration of such notice of termination of insurance, as shown by a sworn statement of financial condition accompanying such payment of the final insurance premium. If such institution fails to furnish such sworn statement, the Corporation may assess and collect a final insurance premium as above provided calculated upon the accounts of insured members and creditor obligations shown upon the latest statement of financial condition submitted to the Corporation, or at its option the Corporation may by court process compel the production of the sworn statement of financial condition hereinabove required to accompany the payment of the final insurance premium.

"(e) No institution which has voted to terminate the insurance contract under the provisions of subsection (a) of this section or which has been notified by the Corporation in accordance with the provisions of subsection (b) of this section that its contract of insurance is terminated, shall thereafter advertise or represent by any means that it is an insured institution, nor shall it advertise or represent by any means that any new account created after such termination of the insurance contract or any sum thereafter received by such institution on any account or credited thereto by way of dividends or otherwise, are insured. After the effective date of the termination of insurance as provided in subsection (d) of this section, no such institution shall advertise or represent in any manner that any of its accounts or any part of the same are insured under this title. The Corporation is authorized to make reasonable rules and regulations with respect to the procedure herein prescribed governing the termination of insurance."

SEC. 17. Notwithstanding any other evidences of the intention of Congress, it is hereby declared to be the controlling intent of Congress that if any provision of this act, or the application thereof to any person or circumstances, is held invalid, the remainder of this act, or the application of such provision to persons or circumstances other than those as to which it is held invalid, shall not be affected thereby.

Mr. WOLCOTT. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. WOLCOTT: On page 17, beginning in line 16, strike out all of section 11.

Mr. WOLCOTT. Mr. Chairman, the reason the name the Federal Savings & Loan Insurance Corporation was to be changed in this bill to the Federal Savings Insurance Corporation was because the Federal savings and loan associations were to enter into the savings-bank business.

Mr. WILLIAMS of Missouri. Mr. Chairman, I think we can all agree on that. It is simply a matter of change of name, and I believe there is no objection to that.

The amendment was agreed to.

The CHAIRMAN. If there are no further amendments, the Committee automatically rises under the rule.

Accordingly the Committee rose; and the Speaker pro tempore (Mr. RAYBURN) having assumed the chair, Mr. COLE of Maryland, Chairman of the Committee of the Whole House on the state of the Union, reported that that Committee, having had under consideration the bill (H. R. 6971) to amend the Federal Home Loan Bank Act, Home Owners' Loan Act of 1933, title IV of the National Housing Act, and for other purposes, pursuant to House Resolution 280, he reported the same back to the House with sundry amendments agreed to in the Committee.

The SPEAKER pro tempore. Under the rule, the previous question is ordered.

Is a separate vote demanded on any amendment; if not, the Chair will put them en gross.

The amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

PERMISSION TO FILE REPORT

Mr. DEROUEN. Mr. Speaker, I ask unanimous consent to have until 12 o'clock tonight to file a report on H. R. 9972.

The SPEAKER pro tempore. Is there objection?

There was no objection.

EXTENSION OF REMARKS

Mr. DEROUEN. Mr. Speaker, I ask unanimous consent that my colleague, Mr. FERNANDEZ, may extend his remarks in the RECORD by including therein the remarks made by him before the Committee of the Whole on H. R. 6971, and also two telegrams and a short letter.

The SPEAKER pro tempore. Is there objection?

There was no objection.

Mr. DEROUEN. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include my testimony before the Civil Functions Appropriations Subcommittee, and also the Committee on Agriculture.

The SPEAKER pro tempore. Is there objection?

There was no objection.

Mr. LARRABEE. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD.

The SPEAKER pro tempore. Is there objection?

There was no objection.

Mr. PATMAN. Mr. Speaker, I ask unanimous consent to extend the remarks I made in the committee today, and to include an additional statement and also tables relating to that statement.

The SPEAKER pro tempore. Is there objection?

There was no objection.

Mr. TINKHAM. Mr. Speaker, I ask unanimous consent to extend my remarks and to include a telegram from a constituent and an answer thereto.

The SPEAKER pro tempore. Is there objection?

There was no objection.

Mr. MURRAY. Mr. Speaker, I ask unanimous consent to extend my remarks and to include a table from the Farm Security Administration. Also, to extend my own remarks and to include an article from the Washington Post.

The SPEAKER pro tempore. Is there objection?

There was no objection.

Mr. REED of New York. Mr. Speaker, I ask unanimous consent to extend my remarks and to include an editorial.

The SPEAKER pro tempore. Is there objection?

There was no objection.

Mr. GEARHART. Mr. Speaker, I ask unanimous consent to extend my remarks and to include an article from the New York Times of March 24, 1940.

The SPEAKER pro tempore. Is there objection?

There was no objection.

Mr. COOLEY. Mr. Speaker, I ask unanimous consent to extend my remarks and to include a speech delivered by Senator CLAUDE PEPPER on April 29, 1940, at the convention of Young Democrats, at Raleigh, N. C.

The SPEAKER pro tempore. Is there objection?

There was no objection.

Mr. COOLEY. Mr. Speaker, also I ask unanimous consent to extend my own remarks and to include a letter I addressed to Secretary Wallace concerning the storage of cotton and other communications with reference to a bill I am introducing today.

The SPEAKER pro tempore. Is there objection?

There was no objection.

PERSONAL EXPLANATION

Mr. RUTHERFORD. Mr. Speaker, my colleague the gentleman from Pennsylvania [Mr. TIBBOTT] is unavoidably detained today, and if he were present he would have voted against the resolution considered today.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to Mr. MYERS, for today, on account of official business.

The SPEAKER pro tempore. Under previous order of the House, the gentleman from Michigan [Mr. WOODRUFF] is recognized for 45 minutes.

COL. CHARLES A. LINDBERGH

Mr. WOODRUFF of Michigan. Mr. Speaker, history does repeat itself.

Fifteen years ago Gen. "Billy" Mitchell was criticized viciously and bitterly; court-martialed; driven from the Army; held up to public ridicule, abuse, and condemnation; ostracized socially; damaged financially; and finally went to his grave with a broken heart. Why?

Because he dared to warn this country that the potential power of airplanes was greater than officers of the Army and the Navy were willing to admit; that the potentially destruc-

tive capacity of the airplane was such that, unless the United States prepared, unless it had the best and most modern fleet of airplanes in the world, with a plentiful supply of pilots, observers, ground crews, bombs, guns, and so forth, this Nation would one day face a danger more grave than any it had ever encountered in our short history as an independent people.

Intolerant officers, rendered mentally rigid by professional jealousy and prejudice, not only fought every inch of the way against the warnings and proposals of General Mitchell; they stooped to attacks on his personal character, to personal venom. They were utterly hostile toward the views of anyone who dared to disagree with the powers that were in the Army and Navy at that time.

MAJ. GEN. BILLY MITCHELL

General Mitchell today lies in his grave—a victim of that intolerance of men whose professional jealousies blinded them to their plain duty and responsibility as the Nation's trusted guardians. Pride of opinion prevented them seeing where the safety and security of their country was weak. Where are those men—those high-command officers who opposed General Mitchell's views, and who publicly ridiculed him?

Where are they today, when this Nation faces exactly the danger which General Mitchell warned us 15 years ago we would face? What have those men to say for themselves and their intolerance today, when the President of the United States has demanded 50,000 airplanes as rapidly as they can be produced, and has thus publicly admitted the truth of every warning and of every argument uttered by General Mitchell? None of those generals or admirals have anything to say now.

I said a moment ago, Mr. Speaker, that history repeats itself. Well, it does. Today men just as intolerant as those men were, just as prejudiced, just as bitter, are trying to assassinate the character of a great and patriotic American citizen—Col. Charles Augustus Lindbergh. They are trying most viciously to discredit him for daring to disagree with the views of some of the new dealers. Men exactly similar in their intolerance, and in their methods, to those who sent "Billy" Mitchell to his grave a broken-hearted and disillusioned man, now are attacking the great flier. This time they are not military men.

It was my great privilege to have been intimately acquainted with General Mitchell. I knew the great depth of his patriotism. I knew the great earnestness and sincerity of his warnings to his superiors and his country. I knew his experience upon which he based his arguments and his warnings.

I knew his freedom from egotism, from any desire for self-aggrandizement or glorification. "Billy" Mitchell dared to tell the truth, even though it reflected upon his superiors and his service and he had to pay the penalty. But the awful tragedy of it is that this Nation has had to pay the penalty along with General Mitchell. The Nation today faces a state of very grave danger because his superiors refused to listen to General Mitchell. And that danger will become greater, day by day, if we permit the same sort of intolerance, bias, and prejudice to succeed in this attack on the Lone Eagle because he, too, places the welfare of his country and the safety and security of his fellow citizens, above the opinions, and some of the policies, of the New Deal administration.

WOULD ASSASSINATE LINDBERGH'S CHARACTER

While they mouth platitudes about free speech and the blessings of democracy, New Deal spokesmen are in the very act of trying to assassinate the character of Colonel Lindbergh, and to discredit his warnings against dangers which are obvious. Free speech? Constructive discussion? Open-minded fairness? Where are any of those elements of democracy to be found in the case of Colonel Lindbergh's critics today?

Now, Mr. Speaker, I for one do not intend to remain silent while Lindbergh is insulted and assailed by men who were busily indulging in armchair activities while he was writing one of the proudest chapters in American history by his lone and epic flight across the Atlantic Ocean.

It has been said of Lindbergh in the last few days that he has no more business to be muddling into foreign policy, or aviation, or military affairs, than "Wrong Way" Corrigan or any other aviator who may fly the ocean.

Well, Mr. Speaker, that is to presume Colonel Lindbergh was chosen by the Guggenheim Foundation as its chief aviation technical adviser because he did not know anything about aviation, military or civil.

That is to presume the degree of master of aeronautics was conferred upon him by New York University in 1928 because he knew nothing about aviation or foreign policy.

That is to presume that the degree of doctor of laws was given him by Northwestern University and by the University of Wisconsin, and the degree of master of science was conferred by Princeton because he knew nothing about aviation and was just an aviator who had flown across the ocean.

That is to presume that he was made chairman of the technical committee of the Continental & Western Air Transport Co. and was technical adviser to the Pan-American Airways because he knew nothing about aviation. He was just a pilot who had flown across the ocean.

That is to presume that Colonel Lindbergh was made a colonel in the military Air Reserve because he did not know anything about aviation, military or otherwise.

That is to presume Colonel Lindbergh was made a member of the National Advisory Committee for Aeronautics because he did not know anything about military aviation.

That is to presume Colonel Lindbergh's flights over various parts of the world, on some of which he was accompanied by his lovely and courageous wife, were all successful because he did not know anything about airplanes or aviation.

That is to presume that Colonel Lindbergh's studies of the air strength of Russia, and later of Germany, failed to teach him anything about military aviation or the air strength of Europe.

That is to presume that Colonel Lindbergh's advice to Great Britain a year ago, which has since been tragically and horribly confirmed, was given because he did not know anything about Germany's air strength.

That is to presume Colonel Lindbergh was asked to appear before executive sessions of congressional committees because he did not know anything about military aviation, the air strength of Europe, or the necessity for an air defense of his own country.

Oh, Mr. Speaker, what intolerance; what prejudice; what unfairness; what ruthless, vicious, bitter injustice has been leveled at this man who alone, unaided, without any public subscriptions or governmental subsidies, wrote a saga of the air that made every man, woman, and child in this Nation proud and glad to be a fellow American of the Lone Eagle.

And, Mr. Speaker, let me ask, just how many oceans and countries have been flown by these bitter critics of this distinguished and brave American? How many times have any of these critics of Colonel Lindbergh pioneered airways over the world, led scientific explorations, good-will tours?

How much concentrated study have they given the question of civil and military aeronautics in different parts of the world? These sparrows perched on high political and official limbs chirping angrily at a lone eagle.

Another critic of Colonel Lindbergh challenges him to reveal who wrote his speech. Well, Mr. Speaker, one thing is certain: Colonel Lindbergh's speech was not written by "Tommy-the-Cork" or "Benny-the-Co-hen." That sort of sniping is petty—too petty to be indulged in under circumstances such as these when our national safety is endangered.

After all, Mr. Speaker, Colonel Lindbergh is an American citizen. He has exactly the same right to raise his voice, to speak his views over the radio, as any other citizen—including those drawing good salaries on the public pay rolls.

After all, Mr. Speaker, free speech has not yet been stifled in this Nation. But if critics like those who so viciously

assail Colonel Lindbergh have their way, free speech will soon be but a memory in this land of the free and home of the brave.

THAT GERMAN DECORATION

One of the most unfair and vicious aspects of this assault against the Lone Eagle is the half-truth being repeated about his having accepted a Nazi decoration. His detractors are very careful not to tell all the facts about that incident. So, in the interest of fairness—of just common, ordinary, decent, American fairness—I want to recall the real facts surrounding that incident.

You will all remember that Lindbergh had inspected the air forces of Russia and had said they were weak. His Russian hosts promptly called him a liar. Subsequent events have proved the Soviet officials to be the liars.

Then Lindberg was invited by the Hitler government to inspect the German air forces. He went to Germany to do that.

At a stag dinner given in Colonel Lindbergh's honor by the United States Ambassador, Hugh R. Wilson, Lindbergh was surprised and embarrassed by the sudden presentation of the medal. The New York Times of Thursday, October 20, 1938, in reporting the incident, stated in part as follows:

On arriving (at the stag party at the American Embassy) Marshal Goering immediately produced a little box and in the name of the Fuehrer put the decoration—the service cross suspended from a ribbon—around Colonel Lindbergh's neck and pinned on his chest the six-pointed silver star that goes with it.

Colonel Lindbergh appeared surprised, displayed an embarrassed smile, and thanked Marshal Goering.

In the American magazine of April 1939, this statement concerning the incident was made:

Marshal Goering came in late and, to everybody's surprise, presented the medal to Lindbergh. What could Lindbergh do but accept it?

Exactly. What else could he do? He could not refuse it, for that would have been an affront by the American Embassy, not by Lindbergh. He could not send it back, for the same reason. He could not explain, either.

So, then, it is clear, Mr. Speaker, that Lindbergh knew nothing of the intended presentation of this medal. He was surprised and embarrassed. But he was a guest of a government with which we were at peace. He was suddenly honored at a dinner in the embassy of his country by the second most important official of the German Government.

Now, Mr. Speaker, I want to ask you, just what would you, just what would any Members of this Congress, of our Government, or any citizen, have done under similar circumstances? In what way would any of us have acted differently than Colonel Lindbergh acted? There was neither reason nor excuse for him to scornfully insult a friendly government by rejecting the decoration. He had received decorations from every other country in the world for his great exploit. It would be just as fair for Lindbergh's critics to assert now that he is biased in favor of all those other governments—including England, France—because they have given him decorations, as to assert that he is pro-Nazi because Goering and Hitler surprised him with such an honor. So in sheer fair play, let his critics tell the whole truth about that incident, not a half-truth turned to the effort of deliberately falsifying the whole incident.

JUST WHAT DID COLONEL LINDBERGH SAY?

Now, Mr. Speaker, I want to dissect Colonel Lindbergh's speech and see with just what parts of it you or any Member of this House can find disagreement.

Said Colonel Lindbergh:

In time of war and confusion it is essential for our people to have a clear understanding of the elements upon which our national safety depends.

Does anybody deny the truth of that statement?

Aviation has now become one of those elements.

Well, Mr. Speaker, that is true, is it not? And what is wrong with anybody saying so?

Said Colonel Lindbergh further:

The power of aviation has been greatly underrated in the past.

Now what is wrong or pro-Nazi about that statement? He said further:

Now we must be careful not to overrate this power in the excitement of reaction.

All right, Mr. Speaker, who is there in this Congress who believes we should overrate aviation power in the excitement of reaction? This is simply a counsel of cool-headedness and caution. Now for the next statement:

Air strength depends more upon the establishment of intelligent and consistent policies than upon the sudden construction of huge numbers of airplanes.

Now, Mr. Speaker, is not that exactly what committees of this Congress are being told now by the highest officials of the Army and the Navy? It is. So, then, are we to brand them as pro-Nazis, and as disloyal to the New Deal administration, or to their country, simply because they insist on speaking the truth and the facts in the midst of this hullabaloo raised by the White House "Janizariat" and New Deal spokesmen in the Congress?

Colonel Lindbergh said further:

Even here in America it is difficult to think clearly amidst the conflict of facts and headlines, the contradictory advice of columnists, the claims and counterclaims of propaganda, and the blind selfishness of party politics.

All right, Mr. Speaker, who denies that every word of that paragraph is a statement of fact? Now, let us take the next statement:

The conservative who scoffed at aviation yesterday has become the radical who says that tomorrow we will be invaded by European aircraft.

That is another statement of fact, is it not?—

Let us reexamine the position of America in the air—

continues the Colonel. Well, who disagrees with that proposition? How can we have an intelligent and practical air defense, unless we do first reexamine our position in the air with relation to the other nations of the world—particularly other nations which are, or may become, potential enemies of this Nation?

New discoveries and developments affect nations in different ways. In Europe aviation has affected England adversely and Germany advantageously. One nation may have a psychology and topography which promotes the development of aviation, while another finds itself entirely unadjusted to the tempo of the air.

All right, now, what is wrong with those statements? Who can disagree with them? They are all true, are they not?

Judged by aeronautical standards, we in the United States are in a singularly fortunate position. Our people have natural ability in the design, construction, and operation of aircraft. Our highly organized industry, our widely separated centers of population, our elimination of formalities in interstate travel all contribute to the development of American aviation. From the standpoint of defense we still have two great oceans between us and the warring armies of Europe and Asia.

In fact, there is hardly a natural element contributing to air strength and impregnability that we do not now possess. Aviation is for us an asset. It adds to our national safety. With a firm and clear-cut policy, we can build an air defense for America that will stand above these shifting sands of war.

Now, Mr. Speaker, what Member of Congress, what member of the administration, what good American citizen anywhere could quarrel with that view?

But until we have decided upon a definite policy of defense the mere construction of large numbers of aircraft will not be adequate for our national safety. In fact, without a strong policy of defense we will not even know what types of planes to build. The speed and range of our fighting planes must depend upon the bases available for their use.

Now at this point, Mr. Speaker, we begin to get down to some of the statements the administration spokesmen do not like, and for which they would assassinate Lindbergh's character, distort his motives, and discredit his standing before the American people. And yet Lindbergh's assertion has been more than amply borne out by high Army officials testifying before congressional committees and by industrialists who attended that famous "four-alarm" meeting at the Treasury to decide on aviation coordination and construction.

If we are to defend the United States alone, then we must construct numerous air bases along the Mexican and Canadian borders. Such a plan would require numbers of small bombers and pursuit planes, and eventually it would leave us as vulnerable to air attack as the nations of Europe are today. On the other hand, if we are to defend the entire Western Hemisphere, we need long-range bombers capable of attacking a hostile fleet a thousand miles or more at sea. But there is little use discussing types and numbers until a defense policy is established.

I venture the assertion, Mr. Speaker, that there is not a Member of this Congress who can honestly disagree with those views. I venture further that there is not a single responsible official of either the Army or the Navy who will disagree with those views. We do not have to be military or naval air experts to be able to comprehend the simple truths enunciated in that paragraph. They are obvious.

Colonel Lindbergh continues:

This brings us to an issue which must sooner or later be faced. An adequate air defense of the Western Hemisphere necessitates the cooperation of other nations of this hemisphere.

Our military aircraft must have access to their bases. Their foreign policy must have some relationship to ours. We cannot hold this hemisphere free from foreign wars if nations which lie within it declare war on foreign powers.

Mr. Speaker, it must be clear to every Member of this distinguished body that we cannot go flying our military airplanes into countries of Central and South America without agreements permitting us to do so and unless we have similar foreign policies—unless we have agreements with these other countries that they will take no action toward war without our sanction.

It must be equally plain to every Member of this House that if we are going to undertake the protection of the entire zone covered by the Monroe Doctrine we must be prepared to face the consequences if any of the other nations within the zone of the Monroe Doctrine become involved with some other country in war—as, for instance, Mexico. So, then, what is there to quarrel with in that paragraph of Colonel Lindbergh's address? Said the Colonel further:

Let us not be confused by this talk of invasion by European aircraft. The air defense of America is as simple as the attack is difficult when the true facts are faced.

We are in danger of war today not because European people have attempted to interfere with the internal affairs of America, but because the American people have attempted to interfere with the internal affairs of Europe.

Now, Mr. Speaker, the only possible criticism of that factual statement that could be made is that Colonel Lindbergh used the term, "the American people," when he might have been more specific and said, "American officials." Have we forgotten the lectures and the tirades and the speeches and the advice directed by various administration spokesmen to the peoples of other nations?

Now, my colleagues, it does no good, it is no sufficient answer to accuse anybody of being a "fifth columnist" simply because some of us still stick to the American policy of demanding to be left alone by the peoples of other nations in the settlement of our own internal affairs, and insisting that we have no right to interfere in the internal affairs of the peoples of other nations?

Indeed, Mr. Speaker, let me cite an authority on this point that certainly will be acceptable to the majority party in this House and to the administration. It is from the Democratic platform of 1928, which states, under the head of foreign policy, that—

We declare for * * * (d) noninterference with the elections or other internal political affairs of any foreign nation.

In view of this declared position of the Democratic Party, certainly Colonel Lindbergh cannot be considered anything but a good, patriotic American for endorsing the policy.

It is true, continues the colonel's address, that bombing planes can be built with sufficient range to cross the Atlantic and return. They can be built either in Europe or America.

Aeronautical engineers have known this for many years. But the cost is high, the target large, and the military effectiveness small. Such planes do not exist today in any air force. A foreign power could not conquer us by dropping bombs in this country unless the bombing planes were accompanied by an invading army. And an invading army requires thousands of small bombers and pursuit planes; it would have little use for huge trans-Atlantic aircraft.

No; the advantage still lies with us, for great armies must still cross oceans by ship. Only relatively small forces can be transported by air today, and over distances of a few hundred miles at most. This has great significance in Europe, but it is not an element that we have to contend with in America.

Such a danger can come, in any predictable future, only through division and war among our own peoples. As long as American nations work together, as long as we maintain reasonable defense forces, there will be no invasion by foreign aircraft. And no foreign navy will dare approach within bombing range of our coasts.

Mr. Speaker, what Member of Congress, or what officer of the Army or Navy, or what official of the administration can honestly quarrel with a single one of those statements? They are all true.

Have we forgotten the facts set forth recently by a distinguished, if plain-spoken, general of the marines, Gen. Smedley D. Butler? Perhaps someone may have the temerity to assert that he knows nothing of warfare or of military strategy, but I am willing to accept his views as sound.

MAJ. GEN. SMEDLEY D. BUTLER

In the CONGRESSIONAL RECORD of October 18, 1939, extracts from an address by General Butler were printed, and they contained the following salient facts, somewhat saltily stated. Said General Butler in part:

They say: "Well, if the British and the French don't lick Hitler, Hitler will be over here and on our necks."

"He'll be bombing our women and children and shelling our cities."

Don't let anybody feed you that misinformation.

It doesn't take a military education to figure out what I'm going to tell you.

It will take not less than 1,000,000 soldiers to invade the United States with any hope of getting ashore.

These million men must come all at once.

They must bring not less than 7 tons of baggage per man—1,000,000 men, 7,000,000 tons of food, ammunition, and what not.

They must bring 400,000 motor vehicles. They've got to find room for 50 gallons of gasoline per day for each vehicle for 270 days—that's 9 months' supply.

Why, there are not enough ships in the whole world to carry that kind of an expedition. And, remember, those ships have to have enough fuel to get back with—to make the round trip.

But here's some more: They've got to have harbors to land in; docks to get their stores ashore. You know you can't stop 25 miles out at sea, drop a 5-ton armored tank overboard, and tell it to swim ashore and meet you on Broadway.

You know very well we're not going to open our harbors to them, prepare docks for them, and invite them in.

New York Harbor is the only big one we've got on this coast, and to block New York Harbor all you have to do is to dump 2 days' garbage in the channel instead of hauling it out to sea. * * *

Now, what about aerial bombardment? Well, Colonel Lindbergh and Eddie Rickenbacker, the two foremost fliers we have, already have told you it is ridiculous to talk or think about bombing New York from Berlin.

Now, let us return to Colonel Lindbergh's address:

Our danger in America is an internal danger. We need not fear a foreign invasion unless American peoples bring it on through their own quarreling and meddling with affairs abroad. Our eyes should not search beyond the horizon for problems which lie at our feet. The greatest lesson we can draw from Europe today is that national strength must be built within a nation itself and cannot be achieved by limiting the strength of others.

Now, Mr. Speaker, I venture the assertion that I can take the CONGRESSIONAL RECORD and in its pages find those same sentiments, in one form or another, expressed by more than half a hundred Members in this and the other Chamber. You know that is true. So what is there for us to criticize in Colonel Lindbergh saying over the radio the very things that have been said time and again upon the floors of the Congress and by Members of the Congress and others over the radio and in the public addresses?

Let us take another statement, now:

What of the unforeseen developments of science? Rocket propulsion? New forms of energy? New methods of destruction? No generation can entirely safeguard the future for those that follow. They must meet their own problems as those problems arise. The greatest inheritance we can pass on to our children is a reasonable solution of the problems that confront us in our time—a strong Nation, a lack of debt, a solid American character free from the entanglements of the Old World.

All right, Mr. Speaker, let the critics now sing out. What is wrong with that statement? If my memory serves me, Colonel Lindbergh is very distinctly and emphatically in line

with George Washington, Thomas Jefferson, Abraham Lincoln, and a dozen other great statesmen of the past. Or is it, Mr. Speaker, that these vociferous and vehement critics of Lindbergh do not approve either of him or of the company he keeps?

Let us guard America today as our forefathers guarded it in the past.

Now that sounds to me, Mr. Speaker, like a good, sound American sentiment—precisely like the sentiments you and I have heard expressed on this floor times without number during our years here. Indeed, I seem to recall that some of the New Deal orators, when they were waving the flag, have proclaimed such sentiments.

But maybe Colonel Lindbergh ought not to say it.

Let us guard America today as our forefathers guarded it in the past. They won this country from Europe with a handful of Revolutionary soldiers. We certainly can hold it now with a population of 130,000,000 people. If we cannot, we are unworthy to have it.

That, Mr. Speaker, is, as I understand it, one of the passages in the Lindbergh address that caused many New Deal henchmen to see red. Such being the case, suppose a tall, lanky, carelessly dressed, sad, and kindly faced man got on the radio tonight and said:

At what point shall we expect the approach of danger? By what means shall we fortify against it? Shall we expect some transatlantic military giant to step the ocean and crush us at a blow? Never! All the armies of Europe, Asia, and Africa combined, with all the treasure of the earth (our own excepted) in their military chest, with a Bonaparte for a commander, could not by force take a drink from the Ohio or make a track on the Blue Ridge in a trial of a thousand years.

Suppose at the end of that statement the announcer said:

You have just heard Abraham Lincoln in an address entitled, "Can 23,000,000 People Hold This Country Against the Whole of Europe?"

Why, Mr. Speaker, on the basis of this vicious criticism of Lindbergh, Lincoln would be run out of Washington by these New Deal patriots if he said such a thing over the radio.

Now let us proceed to another statement made in the Lindbergh address:

But the course we have been following in recent months leads to neither strength nor friendship nor peace. It will leave us hated by victor and vanquished alike, regardless of which way the tide of battle turns. One side will claim that we aided its enemies; the other, that we did not help enough.

Now what is there new, startling, or offensive in that statement? Not a single thing. Do you want to find similar, if not almost exactly the same, statements that have been made on the floors of this Congress? Then read the debates on the amendment of the Neutrality Act. You will find scores of statements exactly along this line expressed by members on both sides of the aisle.

To be successful in modern warfare a nation must prepare many years before the fighting starts. If anyone doubts that, let him turn his eyes to Europe.

Well, my colleagues, there is nothing disloyal, untrue, pro-Nazi, or anti-New Deal in that statement—except that when new dealers say it—as new dealers have said the same thing—it is all right; but when Col. Charles Augustus Lindbergh says it the new dealers read some subtle and dangerous meaning into the words.

Years ago we decided to stay out of foreign wars—

Continues the colonel. And so we did.

We based our military policy on that decision—

He adds. And so we did.

We must not waver now that the crisis is at hand. There is no longer time for us to enter this war successfully. The result of vacillating policies lies clearly before us in the chaos of Europe today.

All fact—every bit of it. And, again, no less an authority than Mr. Roosevelt himself has given utterance to similar sentiments, except, possibly, as to whether we still have time to enter the war successfully. Well, every Member here knows that Colonel Lindbergh stated the fact, and I am going to repeat it on my own responsibility as a Member of this House.

I say, in agreement with Colonel Lindbergh, there is no longer time for us to enter this war successfully—and the overwhelming majority of the American people did not and do not want the United States to enter this war; and you, Mr. Speaker, know that is the fact.

Let us turn again to America's traditional role—that of building and guarding our own destiny.

Again Lindbergh is in distinguished company. Washington, Jefferson, Lincoln, and a thousand others, many of them Members of this Congress at one time or another, have said exactly the same thing. So what is there to criticize about the statement? Do the Lindbergh critics believe we ought not to build and guard our own destiny? That must be so if they disagree with this statement.

Let us proceed to the next statement:

We need a greater air force, a greater Army, and a greater Navy; they have been inadequate for many years.

Now, Mr. Speaker, is that one of the declarations which critic of Colonel Lindbergh insist is wrong because he knows nothing about military aviation or foreign policy? Well, all the colonel had to do was to read some of the speeches and messages of the President; some of the speeches of the Secretaries of War and Navy; some of the statements of the Assistant Secretaries of War and Navy; some of the speeches and testimony of the highest-ranking officers of the Army and Navy, in order to get that information. This Congress has heard little else for weeks; the newspapers have printed little else for weeks; the very columnists who now bitterly criticize Colonel Lindbergh for saying this have been saying the same thing for weeks. Ah, consistency, thou art, indeed, a jewel. Now let us take the next statement:

Let us form with our neighboring nations a clear-cut and definite policy of American defense.

In that statement Colonel Lindbergh has repeated what leading new dealers, from President Roosevelt down, have said; so to criticize him for that statement is to criticize everybody in the administration who has in any way discussed the good-neighbor policy.

And now, Mr. Speaker, we are face to face with the passage in the Lindbergh address that served most to incense the new dealers. This statement which I shall quote in a moment seems to be the one which caused the most frothing at the mouth and gnashing of the New Deal teeth. Here it is:

But, above all, let us stop this hysterical chatter of calamity and invasion that has been running rife these last few days. It is not befitting to the people who built this Nation.

There it is, Mr. Speaker. That is the statement that did the damage, because the new dealers all construed it to be a reference to the assertion that we are only about 2½ hours from an invasion. Maybe it was a reference to that wild statement. Whether it was or not, and whether the New Deal gentleman like the statement or not, I venture the opinion here and now that millions of Americans agree with Lindbergh's statement. The chatter has been hysterical, and it has been unworthy of those who built this Nation. We are reading in the newspapers now that men's clubs and even women are banding together and arming themselves with rifles to shoot down German parachute troops whom they fear will be dropping in on us any day now. So, then, some folks may not like the statement, but it is a statement of fact just the same.

"That the world is facing a new era is beyond question," said Lindbergh. I presume even the new dealers agree with that statement. "Our mission is to make it a better era," he added. I think even Mr. Roosevelt would agree with that statement because it is in accord with his own declarations repeated times over.

Now we come to another statement that seems to have aroused ire in some quarters. Indeed, some critics have

pettishly inquired if Colonel Lindbergh is competent to speak for Hitler on this point. The statement is:

But, regardless of which side wins this war, there is no reason, aside from our own actions, to prevent a continuation of peaceful relationships between America and the countries of Europe. If we desire peace, we need only to stop asking for war. No one wishes to attack us, and no one is in position to do so.

Now, Mr. Speaker, let us analyze these statements and see whether the Lone Eagle was pro-Nazi, disloyal, talking through his hat, or meddling into foreign policies which do not concern him, in making these statements.

To begin with, Colonel Lindbergh is concerned as a citizen, as a husband, as a father and as one who would participate in any war in which this Nation might become engaged. On that score, he has much more right to be concerned than some of his critics, because many of them never fought in a war and never will; and others are too old to fight in any war, while others have no children to be affected by any turn of future events.

There is no reason—

Says Colonel Lindbergh—

to prevent a continuation of peaceful relationships between America and the countries of Europe, regardless of which side wins the war.

Well, Mr. Speaker, we still maintain, even in this very hour, diplomatic relations with the belligerents on both sides of the conflict. This is not because of Colonel Lindbergh's policy. That is administration policy. Is there any critic of Colonel Lindbergh who can tell us that if one or the other side wins the war in Europe we are going to sever relations and sunder peaceful intercourse and go to war with them? If that has been decided on, who made the decision—and when? Unless that is the case, the Lindbergh critics cannot criticize his statement. "If we desire peace, we need only to stop asking for war," the great flyer observes.

That is a fact. If we want peace we do not want responsible spokesmen in high governmental places going on world-wide hook-ups and rebroadcasts making belligerent speeches at foreign governments or the heads of foreign governments. Certainly every sensible person knows that is not the way to maintain peace, but it is exactly the way to get this country into war.

"No one wishes to attack us, and no one is in position to," says the Lone Eagle. All right. Is there anyone in this House or in this Congress or in the administration who can assert with acceptable proof that any nation in the Old World wants to attack us, is going to attack us, or is in position to do so? If any official of the Government, any Member of this Congress, has such information—if he knows of such plans—then he should step forth with his proof and make known to this Congress the facts. Otherwise, by concealing such dangerous facts, so vital to the security of the Nation, he becomes a traitor of the first degree. So, then, let the critics of that paragraph produce the proof to the contrary or admit the truth of the Lindbergh statement.

Now, Mr. Speaker, as to whether Colonel Lindbergh is in position to know more about whether any nation wants to attack us or is in position to do so, I think every fair-minded man and woman here will agree that he is in much better position, by study, travel, observation, investigation, and judgment, to say nothing of the information reaching him from many sources, to make a statement on that point than is any one of his critics, barring none. Certainly the swivel-chair patriots and glass-top-desk observers who criticize him most bitterly are in no sense as well equipped to speak authoritatively on that point as he is. And, finally, let these critics bring forth their proof that somebody, some nation, intends to attack us, and when.

The only reason that we are in danger of becoming involved in this war is because there are powerful elements in America who desire us to take part. They represent a small minority of the American people, but they control much of the machinery of influence and propaganda. They seize every opportunity to push us closer and closer to the edge.

Mr. Speaker, that is the only paragraph or statement in the entire Lindbergh address that I personally wish might have been eliminated. Not because the statement is not true, for it is, I think, correct to say there are those who, for reasons of profit or prejudices, do want us to get into war with some of the other nations. I think, however, that any statement of this sort is very apt to be misconstrued, distorted, and made to appear as being directed at those at whom it was not aimed. But I think no one will attempt to say there is no minority in this country that has wanted us to get into war.

It is time for the underlying character of this country to rise and assert itself, to strike down these elements of personal profit and foreign interest.

Well, certainly, Mr. Speaker, from what we have learned through the work of the Committee Investigating Un-American Activities, it would appear Colonel Lindbergh spoke the truth in that line. Those who hope to profit in business, in work, in the chaos, in speculation—all of these dangerous, self-seeking, and self-serving elements which want to push us into war should be sought out and rendered powerless.

This underlying character of America is our true defense—

Says Colonel Lindbergh. I take it that no one questions that statement.

Until it awakes and takes the reins in hand once more, the production of airplanes, cannon, and battleships is of secondary importance.

No one, I am sure, will question that statement, because it has been made over and over again on the floors of this Congress. It means simply that character, patriotism, courage, love of freedom are necessary to make cannons and ships and airplanes effective.

Let us turn our eyes to our own Nation. We cannot aid others until we have first placed our own country in a position of spiritual and material leadership and strength.

That statement ends the address. With it no one can quarrel. Member after Member of this House has risen in his or her place in past months and warned the country that our domestic problems are dangerous; that they may cause our ruin; that we must end unemployment, suffering, agricultural distress; that we must watch a rising national debt, recurring deficits, intolerable taxes. And yet today we face even greater problems along these lines than ever before.

Now, Mr. Speaker, a few words in conclusion as to why I have taken the time of this House to analyze the Lindbergh speech and to answer his critics.

LINDBERGH A GREAT AMERICAN

Lindbergh is a great American. He proved himself so by his own efforts and through his own ability and courage. He has made valuable contributions to science; his trans-oceanic flight did more for aviation at a time when it was languishing than any other single feat ever performed. Lindbergh did a magnificent, a thrillingly magnificent thing in flying the Atlantic alone. He has been as modest as he has been brave.

His later exploits in flying, in which he was accompanied by his wife, have, in and of themselves, been epics of adventure, daring, care, and skill, which would have stood out had they not been overshadowed by the previous more spectacular feat.

Lindbergh has sufficient funds to retire from the public gaze; he could avoid all contact with public questions—and, therefore, any criticism. Instead he has had the courage to speak because, I believe, his knowledge and his deep patriotism impelled him to speak out.

Now, with those who may not agree with Colonel Lindbergh's views, and who may want to argue with those views, I have no differences. Discussion after disagreement is a fundamental American method. But there has arisen a storm of personal abuse, a venomous attack against the character and the motives of this distinguished and courageous American flier. An attempt has been made to besmear his purposes, to injure his character, to question his sincerity, to belittle his experience, his intelligence, and his judgment—all because he has dared to disagree publicly with some of the New Deal administration adherents. Such

tactics represent a trend toward an intolerance not a whit different than the intolerance in countries ruled by ruthless dictators.

Such tactics represent a trend toward such intolerance, toward such venom in public affairs, toward such a philosophy of gangsterism in politics as cannot be tolerated or permitted to grow in the United States of America. To permit this trend to gain headway, fellow Members of the House, will be to loose a tide that eventually will sweep the Bill of Rights out of the Constitution. Free speech and free press are the essence of Americanism, and for officials in high places to stoop to personal attacks, character assassination, and libelous slurs, is a spectacle to make every American who admires courage, and who believes in fair play, ashamed.

I assume, Mr. Speaker, that every Member of this House knows exactly what my sentiments are regarding a national defense. Certainly I have expressed them often enough.

I believe the question of the national defense should be kept wholly free from any taint of partisanship, politics, class, or sectional prejudices. I believe nonpartisanship means nonpartisanship for all—not merely for the critics of the administration.

Let us by all means create an adequate national defense—but let us do it sensibly, practically, calmly, as quickly and as economically as possible. [Applause.]

SENATE BILLS AND JOINT RESOLUTIONS REFERRED

Bills and joint resolutions of the Senate of the following titles were taken from the Speaker's table and, under the rule, referred as follows:

S. 217. An act for the relief of Charles B. Payne; to the Committee on Claims.

S. 1460. An act to provide uniform reciprocal hospitalization in any Army or Navy hospital for retired personnel of the Army, Navy, Marine Corps, and Coast Guard, and for other purposes; to the Committee on Military Affairs.

S. 1473. An act to extend the time for filing claims for refunds of amounts collected under the Agricultural Adjustment Act; to the Committee on Ways and Means.

S. 1789. An act to authorize the cancelation of deportation proceedings in the case of Florence Sinclair Cooper and daughter, Margaret Lavallie, and Philip P. Roy; to the Committee on Immigration and Naturalization.

S. 2013. An act to amend the Code of the District of Columbia to provide for the organization and regulation of cooperative associations, and for other purposes; to the Committee on the District of Columbia.

S. 2326. An act to provide and maintain an adequate supply of suitable seed for production of food for the population of Hawaii in times of emergency; to the Committee on Agriculture.

S. 2915. An act relating to rentals in certain oil and gas leases issued under authority of the act of February 25, 1920, as amended, and for other purposes; to the Committee on the Public Lands.

S. 3021. An act for the relief of A. A. Ramsay; to the Committee on Claims.

S. 3115. An act to provide for the establishment and maintenance of an assay office at Helena, Mont.; to the Committee on Coinage, Weights, and Measures.

S. 3146. An act relating to the citizenship of William Lawrence Tan; to the Committee on Immigration and Naturalization.

S. 3230. An act to provide for the general welfare through the construction of needed hospitals and grants to States and political subdivisions thereof for the construction, improvement, and enlargement of hospitals, and for other purposes; to the Committee on Interstate and Foreign Commerce.

S. 3594. An act to provide an additional sum for the payment of a claim under the act entitled "An act to provide for the reimbursement of certain personnel or former personnel of the United States Navy and United States Marine Corps for the value of personal effects destroyed as a result of a fire at the Marine Barracks, Quantico, Va., on October 27, 1938," approved June 19, 1939; to the Committee on Claims.

S. 3608. An act to authorize an exchange of lands between the people of Puerto Rico and the United States; to the Committee on Naval Affairs.

S. 3647. An act for the relief of the legal guardian of Paul Sanford, a minor; to the Committee on Claims.

S. 3707. An act for the relief of certain disbursing agents and certifying officers of the Indian Service, the United States Veterans' Administration, and the Treasury Department; to the Committee on Claims.

S. 3739. An act to amend the act providing for Federal aid to the States in the establishment of wildlife-restoration projects, for the purpose of clearly indicating that such projects are to be owned by the respective States and maintained by them in accordance with the provisions of their laws; to the Committee on Agriculture.

S. 3748. An act for the relief of Guy F. Allen, chief disbursing officer, Division of Disbursement, Treasury Department; to the Committee on Claims.

S. 3769. An act for the relief of Jerry McKinley Thompson; to the Committee on Claims.

S. 3786. An act to provide for the punishment of persons transporting stolen animals in interstate commerce, and for other purposes; to the Committee on the Judiciary.

S. 3807. An act to extend the times for commencing and completing the construction of a bridge across the Missouri River at or near Arrow Rock, Mo.; to the Committee on Interstate and Foreign Commerce.

S. 3808. An act to provide for the reimbursement of certain officers and enlisted men or former officers and enlisted men of the United States Navy for personal property lost in the hurricane and flood at New London, Conn., on September 21, 1938; to the Committee on Claims.

S. 3927. An act to provide for the administration of the Washington National Airport, and for other purposes; to the Committee on Interstate and Foreign Commerce.

S. 3958. An act to authorize the Secretary of the Treasury to grant to the road department of the State of Florida an easement for a road right-of-way over the Coast Guard Reservation at Flagler Beach, Fla.; to the Committee on Merchant Marine and Fisheries.

S. J. Res. 214. Joint resolution authorizing the recognition of the two hundredth anniversary of the founding of the University of Pennsylvania by Benjamin Franklin and the beginning of university education in the United States, and providing for the representation of the Government and people of the United States in the observance of the anniversary; to the Committee on the Library.

S. J. Res. 222. Joint resolution granting the consent of Congress to the States of Maryland and West Virginia and the Commonwealths of Virginia and Pennsylvania and the District of Columbia as signatory bodies to enter into a compact for the creation of a Potomac Valley conservancy district and the establishment of the interstate commission on the Potomac River Basin; to the Committee on Rivers and Harbors.

S. J. Res. 260. Joint resolution to make emergency provision for the maintenance of essential vessels affected by the Neutrality Act of 1939, and for adjustment of obligations with respect to such vessels; to the Committee on Merchant Marine and Fisheries.

ENROLLED BILLS AND JOINT RESOLUTION SIGNED

Mr. PARSONS, from the Committee on Enrolled Bills, reported that that committee had examined and found truly enrolled bills and a joint resolution of the House of the following titles, which were thereupon signed by the Speaker:

H. R. 3955. An act to amend section 335 (d) of the Agricultural Adjustment Act of 1938;

H. R. 4229. An act authorizing the conveyance to the Commonwealth of Virginia a portion of the naval reservation known as Quantico in Prince William County, Va.;

H. R. 5404. An act to extend the provisions of the Forest Exchange Act, as amended, to certain lands so that they may become part of the Ochoco National Forest, Oreg.;

H. R. 5784. An act to provide for the conservation and transfer of accumulated sick leave and vacation time due classified civil-service employees who succeed to the position of postmaster, and for other purposes;

H. R. 7018. An act to amend section 289 of the Criminal Code;

H. R. 7020. An act to amend section 2 of the act of March 4, 1931 (46 Stat. 1528), in regard to service of process on the United States in foreclosure actions;

H. R. 7078. An act to authorize the acquisition by the United States of lands in Manchester and Jackson Townships of the county of Ocean and State of New Jersey for use in connection with the Naval Air Station, Lakehurst, N. J.;

H. R. 8119. An act to amend the Criminal Code so as to confer concurrent jurisdiction on courts of the United States over crimes committed on certain Federal reservations;

H. R. 8283. An act to amend section 4370 of the Revised Statutes of the United States (U. S. C., 1934 ed., title 46, sec. 316);

H. R. 8292. An act for the relief of Erich Hecht, Grete J. L. Hecht, and Erich F. Hecht, Jr.;

H. R. 8373. An act to amend section 79 of the Judicial Code, as amended;

H. R. 8403. An act to convey certain lands to the State of Wyoming;

H. R. 8491. An act authorizing the county of Knox, State of Nebraska, to construct, maintain, and operate a toll bridge across the Missouri River at or near Niobrara, Nebr.;

H. R. 8749. An act to extend the times for commencing and completing the construction of a bridge across the Missouri River at or near Petersburg, Mo.;

H. R. 8958. An act to authorize the Secretary of the Interior to grant to the county of Wayne, State of Michigan, an easement over certain land of the United States in Wayne County, Mich., for a sewage-disposal line;

H. R. 8983. An act authorizing the Secretary of the Navy to accept on behalf of the United States a gift of the yacht *Freedom* from Sterling Morton;

H. R. 9094. An act to extend the times for commencing and completing the construction of a bridge across the Mississippi River at or near Winona, Minn.;

H. R. 9118. An act to provide for the reimbursement of travel expenses to certain employees of the Corps of Engineers, United States Army;

H. R. 9394. An act to provide for the establishment of the Cumberland Gap National Historical Park in Tennessee, Kentucky, and Virginia;

H. R. 9411. An act to extend the times for commencing and completing the construction of a bridge across the St. Lawrence River at or near Ogdensburg, N. Y., and for other purposes;

H. R. 9492. An act making it a misdemeanor to stow away on vessels and providing punishment therefor;

H. R. 9595. An act to postpone for 1 year the date of the transmission to Congress by the United States Coronado Exposition Commission of a statement of its expenditures; and

H. J. Res. 537. Joint resolution to make temporary emergency provision for the determination of foreign construction costs under section 502 (b) of the Merchant Marine Act, 1936, as amended.

The SPEAKER announced his signature to enrolled bills of the Senate of the following titles:

S. 1239. An act for the relief of Priscilla M. Noland;

S. 1289. An act for the relief of the city of Leavenworth, Kans.;

S. 1445. An act for the relief of Bruno Arena;

S. 1474. An act for the relief of Thomas G. Abbitt;

S. 1839. An act for the relief of Le Roy Breithaupt;

S. 1942. An act for the relief of the legal representatives of Anna Barbara Kosick, deceased;

S. 2199. An act for the relief of Isadore J. Friedman;

S. 2234. An act for the relief of Walter R. Maguire;

S. 2268. An act for the relief of Roxie Richardson;

S. 2419. An act for the relief of Walter J. Hogan and W. R. Larkin in connection with the construction, operation, and maintenance of the Fort Hall Indian irrigation project, Idaho;

S. 2572. An act for the relief of Anna M. Shea;

S. 2667. An act for the relief of Mr. and Mrs. John W. Finley;

S. 2798. An act for the relief of Charles H. Parr;

S. 3071. An act for the relief of Luther Devoe;

S. 3073. An act for the relief of Verle S. Ward;

S. 3091. An act for the relief of Barnet Warren;

S. 3092. An act for the relief of Maj. John R. Holt;

S. 3233. An act for the relief of C. T. Jensen;

S. 3304. An act for the relief of J. Frank Kuner, private, uniformed force, United States Secret Service;

S. 3307. An act to amend an act entitled "An act for the relief of Mrs. A. R. Barnard, Charles A. Stephens, Donald W. Prairie, and dependents of Vern A. Needles," approved July 15, 1939;

S. 3328. An act for the relief of Dorothy Crossing;

S. 3487. An act for the relief of the heirs of Lt. William Lee Clemmer, Coast Guard; and

S. 3789. An act for the relief of the Eberhart Steel Products Co., Inc.

BILLS AND JOINT RESOLUTIONS PRESENTED TO THE PRESIDENT

Mr. PARSONS, from the Committee on Enrolled Bills, reported that that committee did on this day present to the President, for his approval, bills and joint resolutions of the House of the following titles:

H. R. 169. An act to facilitate the control of soil erosion and/or flood damage originating upon lands within the exterior boundaries of the Cleveland National Forest in San Diego County, Calif.;

H. R. 952. An act for the relief of Indians who have paid taxes on allotted lands for which patents in fee were issued without application by or consent of the allottees and subsequently canceled, and for the reimbursement of public subdivisions by whom judgments for such claims have been paid;

H. R. 1312. An act granting a pension to Ernest Francis White;

H. R. 1379. An act granting a pension to Timothy A. Linehan;

H. R. 1843. An act for the relief of the estate of K. J. Foss.

H. R. 2009. An act to facilitate the control of soil erosion and/or flood damage originating upon lands within the exterior boundaries of the Angeles National Forest, Calif.;

H. R. 2143. An act granting a pension to Helen M. Crowley;

H. R. 2273. An act granting a pension to Lizzie May Wilbur Clayton;

H. R. 2285. An act granting a pension to Maud Patterson;

H. R. 3048. An act to confer jurisdiction on the State of Kansas over offenses committed by or against Indians on Indian reservations;

H. R. 3138. An act authorizing J. E. Pate, his successors and assigns, to construct, maintain, and operate a bridge or ferry across the Rio Grande at Boca Chica, Tex.;

H. R. 3233. An act to repeal certain acts of Congress (pocket vetoed);

H. R. 3955. An act to amend section 335 (d) of the Agricultural Adjustment Act of 1938;

H. R. 4229. An act authorizing the conveyance to the Commonwealth of Virginia a portion of the naval reservation known as Quantico in Prince William County, Va.;

H. R. 4282. An act to amend the act of June 30, 1936 (49 Stat. 2041), providing for the administration and maintenance of the Blue Ridge Parkway, in the States of Virginia and North Carolina, by the Secretary of the Interior, and for other purposes;

H. R. 4349. An act for the relief of the estate of Lewis Marion Garrard Hale;

H. R. 4394. An act granting a pension to James G. Bailey;

H. R. 4832. An act for the protection of the bald eagle;

H. R. 5007. An act granting a pension to John W. Swoveland;

H. R. 5089. An act conferring jurisdiction upon the Court of Claims of the United States to hear, examine, adjudicate, and render judgment on the claim of the legal representative of the estate of Rexford M. Smith;

H. R. 5404. An act to extend the provisions of the Forest Exchange Act, as amended, to certain lands so that they may become part of the Ochoco National Forest, Oreg.;

H. R. 5459. An act for the relief of George F. Lewis, administrator of the estate of Margaret R. Lewis;

H. R. 5477. An act for the benefit of the Indians of the Crow Reservation, Mont., and for other purposes;

H. R. 5784. An act to provide for the conservation and transfer of accumulated sick leave and vacation time due classified civil-service employees who succeed to the position of postmaster, and for other purposes;

H. R. 5880. An act to incorporate the Navy Club of the United States of America;

H. R. 5906. An act to repeal the prohibition against the filling of a vacancy in the office of district judge for the southern district of New York;

H. R. 5918. An act amending Public Law No. 96 of the Seventy-fifth Congress, being an act entitled "An act amending section 2 of Public Law No. 716 of the Seventy-fourth Congress, being an act entitled 'An act to relieve restricted Indians whose lands have been taxed or have been lost by failure to pay taxes, and for other purposes' ";

H. R. 5961. An act granting to the regents of the University of New Mexico the right to alienate certain lands conveyed to them under authority of the act of Congress approved August 19, 1935 (49 Stat. 659), in exchange for an equivalent amount of land more expediently situated;

H. R. 6481. An act to authorize the conveyance of the United States fish hatchery property at Put in Bay, Ohio, to the State of Ohio;

H. R. 6552. An act for the relief of Mrs. Gottlieb Metzger;

H. R. 6681. An act granting a pension to Capt. Victor Gondos, Jr.;

H. R. 6751. An act to repeal certain laws with respect to manifests and vessel permits;

H. R. 6964. An act for the relief of Mr. and Mrs. Nathan Kaplan;

H. R. 7018. An act to amend section 289 of the Criminal Code;

H. R. 7020. An act to amend section 2 of the act of March 4, 1931 (46 Stat. 1528), in regard to service of process on the United States in foreclosure actions;

H. R. 7072. An act for the relief of Esther Ross;

H. R. 7078. An act to authorize the acquisition by the United States of lands in Manchester and Jackson Townships of the county of Ocean and State of New Jersey for use in connection with the Naval Air Station, Lakehurst, N. J.;

H. R. 7084. An act to amend the act entitled "An act to regulate proceedings in adoption in the District of Columbia," approved August 25, 1937;

H. R. 7147. An act to amend the service pension acts pertaining to the War with Spain, Philippine Insurrection, and the China Relief Expedition to include certain continuous service;

H. R. 7306. An act for the relief of John R. Elliott;

H. R. 7530. An act to transfer the site and buildings of the Tomah Indian School to the State of Wisconsin;

H. R. 7615. An act authorizing the Bradenton Co., its successors, and assigns to construct, maintain, and operate a toll bridge across Sarasota Pass and across Longboat Pass, county of Manatee, State of Florida;

H. R. 7733. An act to provide increased pensions for veterans of the Regular Establishment with service-connected disability incurred in or aggravated by service prior to April 21, 1898;

H. R. 7833. An act to set aside certain lands for the Minnesota Chippewa Tribe in the State of Minnesota, and for other purposes;

H. R. 7853. An act for the relief of the Gallup Mercantile Co., of Gallup, N. Mex.;

H. R. 7901. An act to transfer certain Indian lands to the Grand River Dam Authority, and for other purposes;

H. R. 8086. An act to make it a crime to wreck or attempt to wreck a train engaged in interstate commerce;

H. R. 8119. An act to amend the Criminal Code so as to confer concurrent jurisdiction on courts of the United States over crimes committed on certain Federal reservations;

H. R. 8283. An act to amend section 4370 of the Revised Statutes of the United States (U. S. C., 1934 ed., title 46, sec. 316);

H. R. 8292. An act for the relief of Erich Hecht, Crete J. L. Hecht, and Erich F. Hecht, Jr.;

H. R. 8317. An act for the relief of the Hermosa-Redondo Hospital, C. Max Anderson, Julian O. Wilke, Curtis A. Wherry, Hollie B. Murray, Ruth M. Laird, Sigrid I. Olsen, and Stella S. Guy;

H. R. 8373. An act to amend section 79 of the Judicial Code, as amended;

H. R. 8403. An act to convey certain lands to the State of Wyoming;

H. R. 8423. An act to amend an act entitled "An act to increase the efficiency of the Coast Guard," approved January 12, 1938;

H. R. 8452. An act to declare Frankford Creek, Pa., to be a nonnavigable stream;

H. R. 8475. An act to limit the interpretation of the term "products of American fisheries";

H. R. 8491. An act authorizing the county of Knox, State of Nebraska, to construct, maintain, and operate a toll bridge across the Missouri River at or near Niobrara, Nebr.;

H. R. 8537. An act to provide for the enlargement of the Coast Guard depot at Seattle, Wash., and for the establishment of a Coast Guard servicing base at or near Chattanooga, Tenn.;

H. R. 8589. An act to authorize the county of Burt, State of Nebraska, to construct, maintain, and operate a toll bridge across the Missouri River at or near Decatur, Nebr.;

H. R. 8749. An act to extend the times for commencing and completing the construction of a bridge across the Missouri River at or near Petersburg, Mo.;

H. R. 8958. An act to authorize the Secretary of the Interior to grant to the county of Wayne, State of Michigan, an easement over certain land of the United States in Wayne County, Mich., for a sewage-disposal line;

H. R. 8983. An act authorizing the Secretary of the Navy to accept on behalf of the United States a gift of the yacht *Freedom* from Sterling Morton;

H. R. 9013. An act to transfer Hardeman County, Tex., from the Fort Worth division to the Wichita Falls division of the northern judicial district of Texas;

H. R. 9094. An act to extend the times for commencing and completing the construction of a bridge across the Mississippi River at or near Winona, Minn.;

H. R. 9115. An act to authorize the Commissioners of the District of Columbia to provide for the parking of automobiles in the municipal center;

H. R. 9118. An act to provide for the reimbursement of travel expenses to certain employees of the Corps of Engineers, United States Army;

H. R. 9210. An act to amend an act entitled "An act to establish a Board of Indeterminate Sentence and Parole for the District of Columbia and to determine its functions, and for other purposes," approved July 15, 1932, and for other purposes;

H. R. 9236. An act to amend the act entitled "An act to provide books for the adult blind," approved March 3, 1931;

H. R. 9261. An act to extend the times for commencing and completing the construction of a railroad bridge across the Missouri River at or near Randolph, Mo.;

H. R. 9271. An act to extend the existence of the Alaskan International Highway Commission for an additional 4 years, and for other purposes;

H. R. 9381. An act to provide for the alteration of certain bridges over navigable waters of the United States, for the apportionment of the cost of such alterations between the

United States and the owners of such bridges, and for other purposes;

H. R. 9394. An act to provide for the establishment of the Cumberland Gap National Historical Park in Tennessee, Kentucky, and Virginia;

H. R. 9411. An act to extend the times for commencing and completing the construction of a bridge across the St. Lawrence River at or near Ogdensburg, N. Y., and for other purposes;

H. R. 9441. An act to accept the grant to the United States of certain land by the State of South Carolina and to authorize its use by the United States Coast Guard;

H. R. 9492. An act making it a misdemeanor to stow away on vessels and providing punishment therefor;

H. R. 9553. An act to amend and clarify certain acts pertaining to the Coast Guard, and for other purposes;

H. R. 9595. An act to postpone for 1 year the date of the transmission to Congress by the United States Coronado Exposition Commission of a statement of its expenditures;

H. J. Res. 265. Joint resolution authorizing the Bureau of Labor Statistics to make studies of productivity and labor costs in industry;

H. J. Res. 302. Joint resolution to authorize compacts or agreements between or among the States bordering on the Atlantic Ocean with respect to fishing in the territorial waters and bays and inlets of the Atlantic Ocean on which such States border, and for other purposes;

H. J. Res. 385. Joint resolution establishing a Greenville Memorial Commission to formulate plans for the construction of a memorial building to commemorate the Treaty of Greene Ville, at Greenville, Ohio;

H. J. Res. 400. 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;

H. J. Res. 490. Joint resolution providing for an annual appropriation to meet the share of the United States toward the expenses of the International Technical Committee of Aerial Legal Experts, and for participation in the meetings of the International Technical Committee of Aerial Legal Experts and the commissions established by that committee;

H. J. Res. 496. Joint resolution providing for more uniform coverage under the Railroad Retirement Acts of 1935 and 1937, the Carriers Taxing Act of 1937, and subchapter B of chapter 9 of the Internal Revenue Code; and

H. J. Res. 537. Joint resolution to make temporary emergency provision for the determination of foreign construction costs under section 502 (b) of the Merchant Marine Act, 1936, as amended.

ADJOURNMENT

Mr. STEAGALL. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 42 minutes p. m.) the House, under the order heretofore adopted, adjourned until Monday, June 3, 1940, at 12 o'clock noon.

COMMITTEE HEARINGS

COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE

There will be a meeting of the Committee on Interstate and Foreign Commerce on Monday, June 3, 1940, at 10 a. m. Business to be considered: To continue hearings on S. 280 and H. R. 145, motion pictures. The opposition will continue.

COMMITTEE ON INDIAN AFFAIRS

There will be a meeting of the Committee on Indian Affairs on Monday, June 3, 1940, at 10: 30 a. m., for the consideration of bills that have passed the Senate and bills reported by subcommittees.

COMMITTEE ON MERCHANT MARINE AND FISHERIES

There will be a meeting of the Committee on Merchant Marine and Fisheries on Saturday, June 1, 1940, at 10 a. m., for the consideration of H. R. 9905, relating to vessels affected by the Neutrality Act.

The Committee on Merchant Marine and Fisheries will hold a public hearing on Thursday, June 6, 1940, at 10 a. m., on the following bill:

H. R. 9913, relating to citizenship requirements for manning of vessels, and for other purposes.

COMMITTEE ON THE JUDICIARY

On Monday, June 3, 1940, the Special Subcommittee on Bankruptcy and Reorganization of the Committee on the Judiciary will hold a hearing on the bill (H. R. 9864) amending the Bankruptcy Act with respect to the basis of property and excluding certain corporations from the provisions of chapter XI. The hearing will be held in the Judiciary Committee room, 346 House Office Building, and will begin at 10 a. m.

COMMITTEE ON INVALID PENSIONS

There will be a meeting of the Committee on Invalid Pensions on Monday, June 3, 1940, at 10:30 a. m., in room 247, House Office Building, for the purpose of considering H. R. 7899, entitled "A bill extending the provisions of pension laws relating to Indian war veterans to members of Companies E and F, Frontier Battalion, Texas Rangers, and for other purposes," and H. R. 8030, entitled "A bill granting pensions to certain former members of the organizations known as the Spring Creek Company of South Dakota Volunteers."

COMMITTEE ON MINES AND MINING

The subcommittee on Mines and Mining that was appointed to consider S. 2420 will continue hearings on Tuesday, June 4, Thursday, June 6, and Friday, June 7, 1940, at 10 a. m. each morning, in the committee rooms in the New House Office Building.

COMMITTEE ON FOREIGN AFFAIRS

There will be a meeting of the Committee on Foreign Affairs at, 10 a. m., Tuesday morning, June 4, 1940.

COMMITTEE ON IMMIGRATION AND NATURALIZATION

There will be a meeting of the Committee on Immigration and Naturalization in room 445, Old House Office Building, at 10:30 a. m., on Wednesday, June 5, 1940, for the consideration of private bills.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1709. A communication from the President of the United States, transmitting a draft of a proposed provision to be added to the language submitted in connection with my request for funds for the Council of National Defense which was transmitted to you on May 29, 1940 (H. Doc. No. 797); to the Committee on Appropriations and ordered to be printed.

1710. A communication from the President of the United States, transmitting a supplemental estimate of appropriation for the Federal Works Agency for the fiscal year 1940 in the amount of $1,060,000 (H. Doc. No. 798); to the Committee on Appropriations and ordered to be printed.

1711. A letter from the Acting Secretary of the Treasury, transmitting a draft of a proposed bill to amend the act of April 6, 1938 (52 Stat. 201) entitled "An act authorizing the Secretary of the Treasury to exchange sites at Miami Beach, Dade County, Fla., for Coast Guard purposes"; to the Committee on Merchant Marine and Fisheries.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. RAMSPECK: Committee on the Civil Service. H. R. 8181. A bill to grant retirement benefits to Chinese, Japanese, and Hindu interpreters in the United States Immigration and Naturalization Service; with amendment (Rept. No. 2353). Referred to the Committee of the Whole House on the state of the Union.

Mr. RAMSPECK: Committee on the Civil Service. H. R. 8645. A bill to provide Saturday half holidays for char force working in Post Office Department; without amendment (Rept. No. 2354). Referred to the Committee of the Whole House on the state of the Union.

Mr. MAY: Committee on Military Affairs. H. R. 9898. A bill to further amend section 13a of the National Defense Act so as to authorize officers detailed for training and duty as aircraft observers to be so rated, and for other purposes; without amendment (Rept. No. 2355). Referred to the Committee of the Whole House on the state of the Union.

Mr. BUCKLER of Minnesota: Committee on Indian Affairs. H. R. 6583. A bill for expenditure of funds for cooperation with the public-school board at Walker, Minn., for the construction, extension, equipment, and improvement of public-school facilities to be available to all Indian children in the district; without amendment (Rept. No. 2358). Referred to the Committee of the Whole House on the state of the Union.

Mr. KELLER: Committee on the Library. H. R. 9751. A bill for the creation of the United States De Soto Exposition Commission, to provide for the commemoration of the four hundredth anniversary of the discovery of the Mississippi River by Hernando De Soto, the commemoration of De Soto's visit to the Chickasaw Territory in northern Mississippi, and other points covered by his expedition and the two hundred and fifth anniversary of the Battle of Ackia, and for other purposes; without amendment (Rept. No. 2359). Referred to the Committee of the Whole House on the state of the Union.

Mr. MURDOCK of Utah: Committee on the Judiciary. H. R. 9531. A bill to provide for the holding of the terms of court of the United States Court for the Eastern Division of the Eastern District of Arkansas at Forrest City, St. Francis County, Ark.; to transfer Desha County from the eastern division to the western division of the eastern district of Arkansas; and to transfer Crittenden County from the Jonesboro division to the eastern division of the eastern district of Arkansas; without amendment (Rept. No. 2360). Referred to the Committee of the Whole House on the state of the Union.

Mr. DEROUEN: Committee on Rivers and Harbors. H. R. 9972. A bill authorizing the improvement of certain rivers and harbors in the interest of the national defense, and for other purposes; without amendment (Rept. No. 2361). Referred to the Committee of the Whole House on the state of the Union.

Mr. SCRUGHAM: Committee of conference on the disagreeing votes of the two Houses. H. R. 8438. A bill making appropriations for the Navy Department and the naval service for the fiscal year ending June 30, 1941, and for other purposes (Rept. No. 2362). Referred to the Committee of the Whole House on the state of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. JOHN L. McMILLAN: Committee on Immigration and Naturalization. H. R. 9593. A bill for the relief of Walter Sittner; without amendment (Rept. No. 2356). Referred to the Committee of the Whole House.

Mrs. O'DAY: Committee on Immigration and Naturalization. H. R. 8163. A bill for the relief of Antonio Sabatini; without amendment (Rept. No. 2357). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. COLE of New York:

H. R. 9971. A bill to authorize the distribution of Government-owned farm commodities to the American National Red Cross and other organizations for relief of distress; to the Committee on Agriculture.

By Mr. DEROUEN:

H. R. 9972. A bill authorizing the improvement of certain rivers and harbors in the interest of the national defense, and for other purposes; to the Committee on Rivers and Harbors.

By Mr. JONES of Texas:

H. R. 9973. A bill to transfer the jurisdiction of the Arlington Farm, Va., to the jurisdictions of the War Department and the Department of the Interior, and for other purposes; to the Committee on Agriculture.

By Mr. LARRABEE:

H. R. 9974. A bill to establish a Division of Aviation Education in the United States Office of Education, Federal Security Agency, and for other purposes; to the Committee on Education.

By Mr. RANDOLPH:

H. R. 9975. A bill to regulate the hours of employment of females in the District of Columbia, and for other purposes; to the Committee on the District of Columbia.

H. R. 9976. A bill to establish a boundary line between the District of Columbia and the Commonwealth of Virginia, and for other purposes; to the Committee on the District of Columbia.

By Mr. RICH:

H. R. 9977. A bill providing for the control and regulation of alien-published periodicals, pamphlets, newspapers, and other publications in the United States of America; to the Committee on the Judiciary.

By Mr. HOFFMAN:

H. R. 9978. A bill to promote the national defense and to eliminate certain oppressive labor practices affecting the national-defense program, and for other purposes; to the Committee on Labor.

By Mr. COOLEY:

H. R. 9979. A bill to amend the act entitled "An act to facilitate the execution of arrangements for the exchange of surplus agricultural commodities produced in the United States for reserve stocks of strategic and critical materials produced abroad," approved August 11, 1939; to the Committee on Banking and Currency.

By Mrs. ROGERS of Massachusetts:

H. Res. 506. Resolution expressing the sense of the House with respect to funds appropriated for the citizens' military training camps; to the Committee on Military Affairs.

PETITIONS, ETC.

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

8515. By Mr. BROOKS: Petition of Arcadia National Farm Loan Association, of Arcadia, La., opposing the Wheeler-Jones bill, favoring an independent board to head the Farm Credit Administration, suggesting a continued reduction of the loan interest rate, and for other purposes; to the Committee on Agriculture.

8516. By Mr. GOODWIN: Petition of the Independent Business Men's Association, Des Moines, Iowa; to the Committee on Ways and Means.

8517. By Mr. MARTIN J. KENNEDY: Petition of the Association of State Civil Service Employees of the State of New York, Albany, N. Y., urging as full and complete aid as is practicable to the democracies in their present struggle for that freedom which is the inherent right of each man; that food be immediately forwarded to alleviate the distress of millions of refugees; and that the material resources of this country be mobilized and utilized in every way necessary to preserve civilization and the rights of all men everywhere; to the Committee on Military Affairs.

8518. Also, petition of the American Legion, national legislative committee, Washington, D. C., urging support of Senate bill 134; to the Committee on Military Affairs.

8519. By Mr. MICHAEL J. KENNEDY: Petition of Safair, Inc., in affiliation with Erickson & Remmert, Brooklyn, N. Y., urging the designation of Floyd Bennett Field for the contemplated military flight-training program of the Federal Government; to the Committee on Military Affairs.

8520. Also, petition of the Association of State Civil Service Employees of the State of New York, commending the program of national defense outlined by the President and approved by the Congress, and pledging itself to wholehearted support of that program; to the Committee on Military Affairs.

8521. Also, petition of the National Grange, Washington, D. C., favoring enactment of House bill 8813, to amend the National Labor Relations Act; to the Committee on Labor.

8522. Also, petition of the Women's International League for Peace and Freedom, New York State board, commending the appointment of a civilian commission to study defense needs; to the Committee on Military Affairs.

8523. Also, petition of J. R. Wood Federal Credit Union, New York City, favoring enactment of Senate bill 2568, which would increase unsecured loans for Federal Credit Union members from $50 to $100; to the Committee on Banking and Currency.

8524. Also, petition of the New York Board of Trade, Inc., favoring immediate enactment of House bill 8813; to the Committee on Labor.

8525. Also, petition of the New York Board of Trade, Inc., commending and supporting the appropriations for national defense recently proposed by the President; to the Committee on Military Affairs.

8526. Also, petition of the American Association of University Women, opposing enactment of Senate bill 1970; to the Committee on Labor.

8527. Also, petition of the Enterprise Association of Local Union 638 of the United Association, relative to certain prosecutions of labor unions by the Department of Justice; to the Committee on the Judiciary.

8528. By Mr. KRAMER: Resolution of the Democratic Council of Los Angeles County, relative to the repeal or modification of the Johnson Act, etc.; to the Committee on Foreign Affairs.

8529. By Mr. KEOGH: Petition of the Chamber of Commerce of the State of New York, with reference to taxation and national defense; to the Committee on Ways and Means.

8530. Also, petition of the Chamber of Commerce of the State of New York, concerning a threat to the nation's defense program; to the Committee on Military Affairs.

8531. Also, petition of the Chamber of Commerce of the Borough of Queens, City of New York, concerning the so-called Smith bill (H. R. 8813); to the Committee on Labor.

8532. Also, petition of the New York Board of Trade, Inc., New Yorn City, favoring appropriations for national defense as proposed by the President; to the Committee on Military Affairs.

8533. Also, petition of the New York Board of Trade, Inc., New York City, concerning House bill 8813; to the Committee on Military Affairs.

8534. By Mr. LUDLOW: Petition of sundry citizens of Indianapolis, Ind., protesting against the imposition of new processing taxes; to the Committee on Agriculture.

8535. By Mrs. NORTON: Petition of the State of New Jersey, memorializing Congress and the War Department to investigate conditions at Newark Airport, Newark, N. J.; to the Committee on Military Affairs.

8536. By Mr. PFEIFER: Petition of the New York Board of Trade, Inc., New York City, concerning House bill 8813; to the Committee on Labor.

8537. Also, petition of the New York Federation of Post Office Clerks, Local No. 10, New York City, urging support and passage of the longevity and court of appeals bills; to the Committee on the Post Office and Post Roads.

8538. By Mr. SHAFER of Michigan: Petition of 200 citizens, asking consideration of House bill 5237, which provides that postal employees, after having served 30 years, may apply for voluntary retirement; to the Committee on the Post Office and Post Roads.

8539. By Mr. TENEROWICZ: Resolution adopted at a mass meeting held at the Sacred Heart School hall, New Britain, Conn., April 21, 1940, urging early assistance to the suffering population of Poland; to the Committee on Foreign Affairs.

8540. Also, resolution adopted by the United Polish Organizations of Camden, N. J., protesting against the injustices which are being committed against the people of Poland, and urging early aid to the civilian population of Poland; to the Committee on Foreign Affairs.

8541. By the SPEAKER: Petition of M. Berger, Bronx, New York City, N. Y., petitioning consideration of his resolution with reference to embargoes; to the Committee on Foreign Affairs.

8542. Also, petition of the Grand Lodge of Alabama Knights of Pythias, Montgomery, Ala., petitioning consideration of their resolution with reference to national defense; to the Committee on Foreign Affairs.

8543. Also, petition of the International Longshoremen's and Warehousemen's Union, Locals 1–10, petitioning consideration of their resolution with reference to a bill to deport Harry Bridges; to the Committee on Immigration and Naturalization.

8544. Also, petition of the International Union, United Automobile Workers of America, Congress of Industrial Organizations, Local No. 2, Detroit, Mich., petitioning consideration of their resolution with reference to Senate bill 591, United States Housing Authority program; to the Committee on Banking and Currency.

8545. Also, petition of Muscoda Red Ore Local Union, No. 123, International Union of Mine, Mill, and Smelter Workers, Bessemer, Ala., petitioning consideration of their resolution with reference to the President of the United States defense program; to the Committee on Military Affairs.

SENATE

MONDAY, JUNE 3, 1940

(Legislative day of Tuesday, May 28, 1940)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

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

Almighty and Eternal God, unto whom each morning we direct our prayer, we thank Thee for Thy merciful providence bestowed on us as a people; for the years of growth through which we have come; for the great souls, the men of light and leading, who, though having finished their earthly course, still live in the work they have bequeathed. Help us to persevere in dutiful loyalty to those ideals which are part of our national heritage and are often difficult to maintain, that we may covet and acquire only that kind of superiority which is born of the spirit of integrity and the love of freedom. Strengthen and direct us in all our paths, whether of sun or shade; pity and help us when we are out of tune with life, when the strings of the soul are deranged and we are as instruments from which no touch draws aught but mordant sounds. Then bring to bear Thy restoring influence that we may recover our lost tone, by which alone we may penetrate the secret of life eternal. Through our Lord Jesus Christ. Amen.

THE JOURNAL

On request of Mr. BARKLEY, and by unanimous consent, the reading of the Journal of the proceedings of the calendar day of Friday, May 31, 1940, was dispensed with, and the Journal was approved.

MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States were communicated to the Senate by Mr. Latta, one of his secretaries.

CALL OF THE ROLL

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

The VICE PRESIDENT. The clerk will call the roll.