

and prosecution of an adequate national-defense program; to the Committee on Military Affairs.

8879. By the SPEAKER: Petition of John F. Bach, Jr., and others of Chicago, Ill., petitioning consideration of their resolution with reference to the defense program; to the Committee on Military Affairs.

8880. Also, petition of B. Marks and others of Chicago, Ill., petitioning consideration of their resolution with reference to the defense program; to the Committee on Military Affairs.

8881. Also, petition of P. Friedrichsen and others, of San Francisco, Calif., petitioning consideration of their resolution with reference to foreign affairs; to the Committee on Foreign Affairs.

8882. Also, petition of the American Legion, Washington, D. C., petitioning consideration of their resolution with reference to immediate registration and fingerprinting of every resident of the United States and its possessions; to the Committee on the Judiciary.

8883. Also, petition of the Independent Motion Picture Exhibitors, Chicago, Ill., petitioning consideration of their resolution with reference to raising revenue to meet the existing emergency; to the Committee on Ways and Means.

8884. Also, petition of the alumni council of Wesleyan University, at Middletown, Conn., petitioning consideration of their resolution with reference to the defense program; to the Committee on Military Affairs.

8885. Also, petition of the associated alumni of Brown University, Providence, R. I., petitioning consideration of their resolution with reference to the national-defense program; to the Committee on Military Affairs.

8886. Also, petition of the Binghamton State Hospital Employees Association, Binghamton, N. Y., petitioning consideration of their resolution with reference to the national-defense program; to the Committee on Military Affairs.

SENATE

FRIDAY, JUNE 21, 1940

The Senate met at 11 o'clock a. m., on the expiration of the recess.

Rev. Duncan Fraser, assistant rector, Church of the Epiphany, Washington, D. C., offered the following prayer:

Almighty God, who alone dost offer man the hope of lasting harmony and peace: We beseech Thee to fill our hearts and minds with such a strong desire for unity and spiritual strength, that every cause of disunion may fade away like night before the rising sun, till all the peoples of this land and hemisphere are drawn together in one brotherhood, united in a common service to each other and to Thee. Through Jesus Christ, Thy Son, our Lord. 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, June 20, 1940, was dispensed with, and the Journal was approved.

CALL OF THE ROLL

Mr. BARKLEY. 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	Capper	Green	La Follette
Andrews	Caraway	Guffey	Lee
Ashurst	Chandler	Gurney	Lodge
Austin	Chavez	Hale	Lucas
Bailey	Clark, Idaho	Harrison	Lundeen
Bankhead	Clark, Mo.	Hatch	McCarran
Barkley	Connally	Hayden	McKellar
Bilbo	Danahey	Herring	McNary
Bone	Davis	Hill	Maloney
Bridges	Donahey	Holman	Mead
Brown	Downey	Holt	Miller
Bulow	Ellender	Hughes	Minton
Burke	George	Johnson, Calif.	Murray
Byrd	Gerry	Johnson, Colo.	Neely
Byrnes	Gillette	King	Norris

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Nye
O'Mahoney
Overton
Pepper
Pittman
Radcliffe
Reed
Reynolds

Russell
Schwartz
Schwellenbach
Sheppard
Shipstead
Slattery
Smith
Taft

Thomas, Idaho
Thomas, Okla.
Thomas, Utah
Tobey
Townsend
Truman
Tydings
Vandenberg

Van Nuys
Wagner
Walsh
Wheeler
White
Wiley

Mr. MINTON. I announce that the Senator from Virginia [Mr. GLASS], the Senator from New Jersey [Mr. SMATHERS], and the Senator from Tennessee [Mr. STEWART] are necessarily absent from the Senate.

Mr. AUSTIN. I announce that the Senator from North Dakota [Mr. FRAZIER] is necessarily absent.

The Senator from New Jersey [Mr. BARBOUR] is absent on official duties.

The PRESIDENT pro tempore. Ninety Senators have answered to their names. A quorum is present.

REPORT OF COMMISSION ON ENLARGING THE CAPITOL GROUNDS (S. DOC. NO. 251)

The VICE PRESIDENT laid before the Senate a letter from the Architect of the Capitol (member of the Commission on Enlarging the Capitol Grounds), transmitting, pursuant to law, the final report of the Commission on Enlarging the Capitol Grounds, which, with the accompanying report, was referred to the Committee on Public Buildings and Grounds and ordered to be printed, with illustrations.

REPORT ON AGRICULTURAL EXPERIMENT STATIONS

The VICE PRESIDENT laid before the Senate a letter from the Secretary of Agriculture, transmitting, pursuant to law, a report for the fiscal year ended June 30, 1939, covering the receipts, expenditures, and work of agricultural experiment stations in the States, Hawaii, Alaska, and Puerto Rico, etc., which, with the accompanying report, was referred to the Committee on Agriculture and Forestry.

DISPOSITION OF EXECUTIVE PAPERS

The VICE PRESIDENT laid before the Senate 18 letters from the Archivist of the United States, transmitting, pursuant to law, lists of papers and documents on the files of the Departments of the Treasury (3), of War (2), of Justice, Navy, Interior (7); Board of Governors of the Federal Reserve System; Veterans' Administration; Federal Works Agency, Work Projects Administration; and the Federal Works Agency, which are not needed in the conduct of business and have no permanent value or historical interest, and requesting action looking to their disposition, which, with the accompanying papers, were referred to a Joint Select Committee on the Disposition of Papers in the Executive Departments.

The VICE PRESIDENT appointed Mr. BARKLEY and Mr. TOBEY members of the committee on the part of the Senate.

PETITIONS AND MEMORIALS

The VICE PRESIDENT laid before the Senate a resolution adopted by a mass meeting of citizens of Fannin County, Tex., held under the auspices of the American Legion, favoring the extension of material aid to the allied nations, the strengthening of the armed forces of the United States, the speeding of production of war munitions and materials; the immediate repeal of the Johnson and Neutrality Acts; and the adoption of a form of compulsory military training, which was referred to the Committee on Foreign Relations.

Mr. VANDENBERG presented petitions of sundry citizens of the State of Michigan, praying that the United States keep out of war, which were referred to the Committee on Foreign Relations.

Mr. TYDINGS presented a petition of sundry citizens of Salisbury, Md., praying that Congress remain in session during the existing emergency, and that American boys be kept out of war, which was referred to the Committee on Foreign Relations.

He also presented a petition of sundry citizens of Baltimore, Md., praying that a full measure of material assistance be rendered to the Allies, which was referred to the Committee on Foreign Relations.

Mr. WALSH presented a petition of several citizens of Cambridge, Mass., praying that the United States avoid all steps leading to war, and also that the Monroe Doctrine be abrogated and mutual assistance pacts substituted therefor with the nations of the Western Hemisphere, which was referred to the Committee on Foreign Relations.

He also presented a statement in the nature of a petition from the Massachusetts State C. I. O. Industrial Union Council, Boston, Mass., praying that the United States keep out of war and pursue a policy of peace, which was referred to the Committee on Foreign Relations.

He also presented a petition of sundry citizens of Worcester, Mass., being members of a branch of the Committee of American Friends of France and the American Fund for Wounded in France, praying for the extension of material aid to the Allies, which was referred to the Committee on Foreign Relations.

He also presented a petition numerously signed by sundry citizens of the State of Massachusetts, praying that the United States keep out of war, and that no American boys be sent to participate in foreign wars, which was referred to the Committee on Foreign Relations.

He also presented the petitions of Everett Post No. 176, of Everett; Quincy Post, No. 95, of Quincy; South Hadley Post, No. 60, of South Hadley; and Waltham Post, No. 156, of Waltham, all of the American Legion, in the State of Massachusetts, praying that Congress remain in session during the existing international emergency, which were ordered to lie on the table.

RESOLUTION OF VETERANS OF FOREIGN WARS, NORTH CAROLINA

Mr. REYNOLDS presented a resolution of the Veterans of Foreign Wars, Department of North Carolina, which was referred to the Committee on the Judiciary and ordered to be printed in the RECORD, as follows:

Whereas the Veterans of Foreign Wars, Department of North Carolina, are duly assembled in encampment at Winston-Salem, N. C., this 20th day of May 1940, and

Whereas said Veterans of Foreign Wars are aware that the United States of America is now faced with the problem of immediately preparing itself for effective defense against any power or combination of powers, and

Whereas it is a matter of recorded history that prior to and after the entry of the United States of America into the World War of 1914-18 peace and order were threatened, and considerable sabotage occurred as a result of the activities of enemy aliens and agents of enemy powers in the United States of America, and

Whereas the investigations of the Congress of the United States of America, through a special committee for that purpose appointed, disclose the existence of organized and dangerous revolutionary groups of alien extraction operating in the United States of America, and

Whereas there is at the present time no adequate method of establishing the identity or of tracing the activity of potential enemy agents and traitors in the United States of America: Now, therefore, be it

Resolved, That the Veterans of Foreign Wars, Department of North Carolina, strongly advise and urge the Congress of the United States of America to immediately enact all necessary statutes and laws to require all persons residing or traveling within the boundaries of the United States of America or its possessions to have identity cards and to require the fingerprinting and other identification of all such persons; and be it further

Resolved, That a copy of this resolution be sent to each Senator and each Representative from North Carolina in the Congress of the United States of America, to the chairman of the special committee of the House of Representatives of said United States charged with the investigation of seditious and un-American activities in this Nation, to the national encampment for 1940 of the Veterans of Foreign Wars, and to the 1940 State convention of the American Legion of the Department of North Carolina.

RESOLUTION OF INDIANOLA (MISS.) POST NO. 2, AMERICAN LEGION

Mr. BILBO presented a resolution of Indianola Post No. 2, American Legion, Indianola, Miss., which was referred to the Committee on the Judiciary and ordered to be printed in the RECORD, as follows:

Whereas all Europe and the Far East are now engaged in a major conflict, the direct effect of which is to strike down the last vestige of freedom in those lands; and

Whereas solemn pledges of nations written into treaties are no longer recognized as anything but a "scrap of paper," used by aggressors to ensnare the unwary, so that such aggressors respect nothing but force, and are limited in their operations only by fear; and

Whereas it has come to the attention of the American people that this country is deplorably deficient in armaments and is now at the mercy of aggressor nations, and that it is apparent to all thinking Americans that the forces of greed and oppression are being held off these shores only temporarily while they solidify themselves at home, and that our day of trial by fire and steel appears to be in the near future; and

Whereas there have sprung up in this Nation large groups of people organized under the direction of nations that would destroy us by weakening us from within; and whereas there are those among us owing their allegiance to the enemies of America, who are seeking to destroy our constitutional liberties, and who hide behind our constitutional guaranties of free speech so to do; and

Whereas it is the sense of this body that it was never intended that the right of free speech be accorded to aliens who are seeking to use that privilege to destroy us, and we further believe that our Constitution contains sufficient provisions to protect itself and the citizenship of America; and

Whereas no nation can survive in this present world without being strong from within and strong from without, and it is essential that we immediately clean out all subversive elements within our country, and arm this Nation at once sufficiently to protect us from any nation or combination of nations that would destroy us: Now, therefore, be it

Resolved by Indianola Post No. 2, the American Legion, at Indianola, Miss., on the 11th day of June 1940, That we now call upon all officials in our Nation to put aside all partisan feelings and considerations, and to rally behind the President in a concerted drive to immediately and fully arm and equip this Nation, and to wipe out all un-American influences at work in this country; and we deny that aliens in our midst are entitled to the use of free speech in their efforts to destroy us, and we demand immediate deportation of every alien wrongfully in our midst or who abuses the freedom of this country, and we demand the Department of Labor to take immediate steps to deport all such alien agitators of every kind from America, and that all aliens be forthwith required to register and keep their movements and whereabouts known to the authorities, and we further demand that aliens be taken off the relief rolls of this country and from jobs that our citizens want or should hold; be it further

Resolved, That a copy of these resolutions be sent to our Congressmen and Senators in Washington, and that a copy thereof be filed with the proper committee at the ensuing department convention with a view of having the same there adopted.

RESOLUTION OF FLORA (MISS.) LIONS CLUB

Mr. BILBO also presented a resolution of the Lions Club of Flora, Miss., which was ordered to lie on the table and to be printed in the RECORD, as follows:

Whereas the slogan of the International Association of Lions Clubs is Liberty, Intelligence, Our Nation's Safety; and

Whereas the Flora Lions Club is vitally interested in and deeply concerned for the safety of the United States of America: Therefore

Resolved, That the Flora Lions Club hereby assures the President of the United States and the Congress of its approval of legislation enacted to keep the United States safe in a world consumed by war; and that we respectfully but earnestly urge further immediate and positive action to assure a degree of preparedness such as will safeguard our free democracy; and be it further

Resolved, That the Flora Lions Club stands resolutely for freedom of speech, freedom of thought, and individual liberty; that to this end we believe in adequate and substantial preparedness; that the Flora Lions Club asks a definite part in carrying out the program of preparedness and stopping the subversive activities of aliens and of all who would hamper the task of the Government in making this country fully prepared to defend its liberties and rights; and be it further

Resolved, That the Flora Lions Club urges the immediate enactment of legislation such as may be necessary to put an end to the subversive activities of foreign powers, paid or otherwise, who are plotting and working against our democracy; and that the Congress enact further legislation to inflict drastic punishment on any citizen or alien, working in the interest of any foreign power, who may willfully engage in any activity whose purpose is to defeat or overthrow our democratic form of government; and be it further

Resolved, That the Flora Lions Club hereby heartily endorses the work of the Dies congressional investigating committee and the Federal Bureau of Investigation of the Department of Justice, and emphatically urges that their powers be broadened and that ample appropriations be made to enable them to combat all subversive activities, thereby further guaranteeing our Nation's safety; and be it further

Resolved, That duly authenticated copies of this resolution be sent to the President of the United States, to the Vice President, to the Speaker of the House of Representatives, to Senators THEODORE G. BILBO and PAT HARRISON, and Hon. DAN McGEHEE, our Representative in Congress.

REPORTS OF COMMITTEES

Mr. BONE, from the Committee on Patents, to which was referred the bill (H. R. 10058) to amend the act relating to

preventing the publication of inventions in the national interest, and for other purposes, reported it without amendment and submitted a report (No. 1911) thereon.

Mr. CONNALLY, from the Committee on Finance, to which was referred the bill (H. R. 6207) to amend section 2810 (a), Internal Revenue Code, to exclude petroleum stills from the requirement of registration, reported it without amendment and submitted a report (No. 1912) thereon.

He also, from the Committee on the Judiciary, to which was referred the bill (S. 3936) to extend the provisions of the act of May 22, 1934, known as the National Stolen Property Act, reported it without amendment.

Mr. AUSTIN, from the Committee on Immigration, to which were referred the following bills, reported them each with an amendment and submitted reports thereon:

H. R. 5641. A bill to admit Johann Rudolf Hueneberg permanently to the United States (Rept. No. 1914); and

H. R. 6056. A bill for the relief of Antal or Anthony or Tony Zaicek or Zaiczek (Rept. No. 1915).

Mr. AUSTIN also, from the Committee on Immigration, to which was referred the bill (H. R. 7563) for the relief of Salomon Georg Kaufmann; his wife, Doris Kaufmann, nee Stern; and their child John Michael Peter Kaufmann, reported it without amendment and submitted a report (No. 1916) thereon.

Mr. ANDREWS, from the Committee on Immigration, to which was referred the bill (S. 3596) to enable Eva Sofia Bildstein and her minor son, Jorg Bildstein, to remain permanently in the United States, reported it with an amendment and submitted a report (No. 1917) thereon.

He also, from the same committee, to which was referred the bill (H. R. 9651) for the relief of Meier Langermann, his wife, Friederike, and son, Joseph, reported it without amendment and submitted a report (No. 1918) thereon.

Mr. HUGHES, from the Committee on Immigration, to which was referred the bill (H. R. 8910) providing for the extension of nonquota status to Frederick Beck, reported it without amendment and submitted a report (No. 1919) thereon.

Mr. MALONEY, from the Committee on Immigration, to which was referred the bill (S. 3703) for the relief of Vasil Dimitroff Techoff, reported it with amendments and submitted a report (No. 1920) thereon.

He also, from the same committee, to which was referred the bill (H. R. 5156) for the relief of Adolph Ernest Helms, reported it without amendment and submitted a report (No. 1921) thereon.

He also, from the same committee, to which was referred the bill (H. R. 5640) to admit Richard Paul Rehn permanently to the United States, reported it with an amendment and submitted a report (No. 1922) thereon.

Mr. HERRING, from the Committee on Immigration, to which was referred the bill (S. 3248) to amend section 2, chapter 368, Forty-sixth Statutes at Large, page 1467, March 2, 1931, relating to extra compensation of inspectors and employees of the Immigration and Naturalization Service, reported it with amendments and submitted a report (No. 1923) thereon.

Mr. RUSSELL, from the Committee on Immigration, to which were referred the following bills, reported them severally without amendment and submitted reports thereon:

S. 4149. A bill to amend the Immigration Act of 1924 to require aliens admitted into the United States as officials of foreign governments either to maintain their status or to depart from the United States, with the approval of the Secretary of State (Rept. No. 1924);

H. R. 159. A bill to amend an act entitled "An act relating to the naturalization of certain women born in Hawaii," approved July 2, 1932 (Rept. No. 1925); and

H. R. 4185. A bill to repatriate native-born women residents of the United States who have heretofore lost their citizenship by marriage to an alien (Rept. No. 1926).

Mr. SCHWELLENBACH, from the Committee on Immigration, to which were referred the following bills, reported them each without amendment and submitted reports thereon:

S. 3361. A bill for the relief of Aron Pitt and Cecilia Pitt (Rept. No. 1927); and

H. R. 6443. A bill to permit certain aliens whose childhood was spent in the United States, if eligible to citizenship, to become naturalized without filing declaration of intention (Rept. No. 1928).

Mr. SLATTERY, from the Committee on Commerce, to which were referred the following bills, reported them each without amendment and submitted reports thereon:

H. R. 9509. A bill to extend the times for commencing and completing the construction of a bridge across the Ohio River at or near Shawneetown, Ill. (Rept. No. 1930); and

H. R. 9618. A bill to extend the times for commencing and completing the construction of a bridge across the Susquehanna River at or near the city of Harrisburg, Pa. (Rept. No. 1929).

Mr. McNARY, from the Committee on Commerce, to which was referred the bill (H. R. 6408) to extend the times for commencing and completing the construction of a dam and dike for preventing the flow of tidal waters into North Slough in Coos County, Oreg., reported it without amendment and submitted a report (No. 1931) thereon.

ENROLLED BILLS AND JOINT RESOLUTION PRESENTED

Mrs. CARAWAY, from the Committee on Enrolled Bills, reported that that committee presented to the President of the United States the following enrolled bills and joint resolution:

On June 18, 1940:

S. 4027. An act to transfer the active list of the Construction Corps to the line of the Navy, and for other purposes.

On June 19, 1940:

S. 2611. An act authorizing the purchase of a site and the erection of a building in the State of Massachusetts for use as a radio-monitoring station, and for other purposes;

S. 2983. An act to authorize the sale of lumber and other forest products obtained from the forests on Indian reservations by Indian enterprises;

S. 2984. An act authorizing the transfer of title of the Hayward Indian School to the State of Wisconsin;

S. 3018. An act to amend section 210 of the Communications Act of 1934, approved June 19, 1934 (48 Stat. 1073; 47 U. S. C. 210), so as to permit communication utilities to contribute free services to the national defense;

S. 3237. An act to amend section 301 (a) of the Sugar Act of 1937;

S. 3352. An act to amend the act of August 27, 1935 (49 Stat. 2194), and for other purposes;

S. 3667. An act to provide for the local delivery rate on certain first-class mail matter;

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.; and

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.

On June 20, 1940:

S. 2059. An act authorizing a grant to the city of Fargo, N. Dak., of an easement in connection with the construction of water and sewer systems.

BILLS INTRODUCED

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

(Mr. LUNDEEN introduced Senate bill 4168, which was referred to the Committee on Military Affairs, and appears under a separate heading.)

By Mr. SHIPSTEAD:

S. 4169. A bill for the relief of Irene Dial (with accompanying papers); to the Committee on Claims.

By Mr. SHEPPARD:

S. 4170. A bill to authorize the Secretary of War to acquire by donation land or to accept donation of the cost of acquiring same, for military or other public purposes; to the Committee on Military Affairs.

By Mr. WHEELER:

S. 4171. A bill for the establishment of the Fort Peck National Recreational Area, in the State of Montana, and for other purposes; to the Committee on Agriculture and Forestry.

ESTABLISHMENT OF THE CORONADO INTERNATIONAL MONUMENT,
ARIZ.—AMENDMENTS

Mr. HAYDEN submitted amendments intended to be proposed by him to the bill (S. 4130) to provide for the establishment of the Coronado International Monument, in the State of Arizona, which were referred to the Committee on Public Lands and Surveys and ordered to be printed.

STATEMENT BY SENATOR VANDENBERG ON HISTORY OF BEET-SUGAR
LEGISLATION

[Mr. VANDENBERG asked and obtained leave to have printed in the RECORD a statement prepared by him giving a history of beet-sugar legislation under the present administration, which appears in the Appendix.]

ELECTRIFYING RURAL AMERICA—ADDRESS BY HON. HARRY SLATTERY

[Mr. LA FOLLETTE asked and obtained leave to have printed in the RECORD a radio address by Hon. Harry Slattery, Administrator, Rural Electrification Administration, on June 3, 1940, on the subject Electrifying Rural America, which appears in the Appendix.]

ADDRESS TO GRADUATING CLASSES BY THE PRESIDENT OF THE
UNIVERSITY OF MICHIGAN

[Mr. WHEELER asked and obtained leave to have printed in the RECORD an address delivered by President Alexander Ruthven to the 1940 graduating classes of the University of Michigan, which appears in the Appendix.]

POLITICS OR PATRIOTISM—EDITORIAL FROM DETROIT FREE PRESS

[Mr. NYE asked and obtained leave to have printed in the RECORD an editorial from the Detroit Free Press of June 11, 1940, entitled "Politics or Patriotism," which appears in the Appendix.]

THREE ACES VERSUS THE NEW DEAL—EDITORIAL FROM FORT
WAYNE (IND.) NEWS-SENTINEL

[Mr. NYE asked and obtained leave to have printed in the RECORD an editorial from the Fort Wayne (Ind.) News-Sentinel of June 1, 1940, entitled "Three Aces Versus the New Deal," which appears in the Appendix.]

NEW DEALISM OR REAL DEFENSE—ADDRESS BY SENATOR TAFT

[Mr. DANAHER asked and obtained leave to have printed in the RECORD an address delivered by Senator TAFT on Thursday, June 20, 1940, on the subject "New Dealism or Real Defense," which appears in the Appendix.]

FRENCH COPPER MINES IN MEXICO AND PURCHASE OF SILVER
THROUGH MEXICO

[Mr. TOWNSEND asked and obtained leave to have printed in the RECORD an item from the Baltimore Sun of June 20, 1940, under the heading "Mexico Reported Taking Over French Mines," and also an item from the New York Times of June 20, under the heading "Morgenthau to Sift Rumor of Sale by Nazis of Silver From Invasions," which appear in the Appendix.]

ORDER OF BUSINESS

The PRESIDENT pro tempore. The routine morning business is closed.

Mr. BARKLEY. Mr. President, yesterday I announced that, following the completion of the routine morning business, I would ask for the consideration of unobjected-to bills on the calendar. The Senator from South Carolina [Mr. BYRNES] is in charge of the unfinished business, which he thinks will not take much time, and I am perfectly willing to postpone the request for the consideration of unobjected-to bills to see if he can get his bill through.

Mr. BYRNES. Mr. President, I make that request because I should like to have the Senate act on the Commodity Credit Corporation bill.

Mr. ASHURST. Mr. President, if request is made for an order to proceed with the calendar for the consideration of unobjected-to bills only, I must object, for this reason: There are on the calendar many bills which should be considered; and if an order should be entered to consider only unobjected-to bills, obviously we may not consider certain important bills.

Mr. President, I wish to aid the able Senator from Kentucky; but there are on the calendar bills which are hotly contested. I would not attempt at this time and in these circumstances to try to get up the Walter-Logan bill, although my attitude toward that bill is well known; but there are other bills of importance, notably the so-called Boulder Dam adjustment bill, upon which the seven Colorado River Basin States have agreed. That bill is in charge of the able senior Senator from Nevada [Mr. PITTMAN]. There is the freight-forwarders bill to be considered. Moreover, there is Senate bill 4008, introduced by the Senator from Montana [Mr. MURRAY] for himself and 10 other Senators; and I do not overemphasize when I say that Senate bill 4008 is one of the most, if not the most, important of the bills pending before Congress, because it implements and equips the authority, the power, and credit to prospect for, extract, and process strategic, essential, and critical minerals now locked in the hills and mountains of our country.

Surely if we are in good faith, as we certainly are, about preparedness and rearmament for our country's defense, the Senate will not adjourn until it passes Senate bill 4008, introduced, as I said before, by the Senator from Montana [Mr. MURRAY] and 10 other Senators, and which bill was favorably reported from the Senate Committee on Banking and Currency, so that we may be equipped to secure, extract, and process these strategic, critical, and essential minerals from our own country without being required to obtain these minerals from Brazil, Russia, or other countries.

So, Mr. President, I must object unless we have assurances that that bill and bills of similar character may be considered. Under the order that will be asked by my able friend the Senator from Kentucky [Mr. BARKLEY], that bill (S. 4008), for example, might not have opportunity to be considered. Mr. President, why dehorn ourselves? Why draw our teeth, and clip our claws, and render ourselves unable to consider these bills?

I wish no order entered to consider only unobjected-to bills on the calendar. I desire both objected-to and unobjected-to bills considered.

Mr. BARKLEY. Mr. President, the Senator from Arizona knows that there are on the calendar many bills which can be passed as soon as they are called, to which there is no objection. Unless we enter an order for the consideration only of unobjected-to bills, the first bill called might take an indefinite length of time, and we never would reach the other bills.

Mr. ASHURST. Mr. President, we have 6½ months remaining.

Mr. BARKLEY. Oh, well, Mr. President; I want to be perfectly frank. Unless we can get an order for the consideration of unobjected-to bills only, I shall withdraw my request for the consideration of the calendar, and let the Senator from South Carolina go ahead with his bill.

Mr. BYRNES. Mr. President, this bill, reported from the Banking and Currency Committee—

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

Mr. BYRNES. Yes.

Mr. NYE. Has there been consent to waive the order of last night, and take up the so-called unfinished business at this hour?

The PRESIDENT pro tempore. No order was made last night except to adjourn, so far as the Chair knows. Therefore, the regular order comes on after adjournment, which is the routine morning business.

Mr. McNARY. Mr. President, a parliamentary inquiry. The PRESIDENT pro tempore. The Senator will state it.

Mr. McNARY. We have not completed the routine morning business, have we?

The PRESIDENT pro tempore. It has been completed.

Mr. McNARY. Has it been?

The PRESIDENT pro tempore. It was so announced by the Chair.

Mr. NYE. Mr. President—

The PRESIDENT pro tempore. The Senator from South Carolina has the floor. Does he yield?

Mr. BYRNES. I yield to the Senator from North Dakota.

Mr. NYE. A few moments ago the Senator from South Carolina made a personal request of me. I understood that his request was that I refrain from delivering the remarks I had planned to make this noon until he could bring up the unfinished business. I am sorry to have misunderstood as completely as I did his purpose. I had no knowledge that he planned to move the consideration of the unfinished business as the first order today. I had been hoping and planning to speak when the Senate convened this noon, and had assumed, when the plan was announced to take up the calendar, that as soon as the consideration of the calendar was completed the Senator from South Carolina would call up the unfinished business, and I should have a chance then to be heard.

If, now, the Senator wishes to proceed with the unfinished business, and hopes to prevent any talk aside from the business itself, I am sorry to have to disappoint him, because it seems to me this is going to be the only opportunity I shall have during the day to speak.

Mr. BYRNES. Mr. President, I did speak to the Senator, and presented to him this situation:

Here is a bill which was unanimously reported by the Banking and Currency Committee, which would make available to the Commodity Credit Corporation additional credit to make loans upon wheat, cotton, and corn under the provisions of the Agricultural Adjustment Act. It is essential that it be done; and my personal request to the Senator was that he would permit me to dispose of this matter, which I was sure could be done in a few minutes, that I might return to the Appropriations Committee, where the deficiency subcommittee is in session, of which the Senator from North Dakota is a member and I am a member, and hearings are going on.

There is no agreement about the consideration of bills on the calendar. I do not know why the Senator will not have an opportunity during the day to make the speech he desires to make. I hope he will permit this bill to be disposed of, because it is a matter of very great importance to the agricultural interests of the country.

Mr. NYE. Mr. President, a parliamentary inquiry.

The PRESIDENT pro tempore. The Senator will state it.

Mr. NYE. If the unfinished business is taken up and disposed of, will the Senate then proceed to the consideration of bills on the calendar under the 5-minute rule?

Mr. BARKLEY. Mr. President, I will say to the Senator that we have not any consent to consider bills on the calendar at all. We cannot proceed with the calendar without obtaining consent.

Mr. NYE. May I ask the leader, then, whether there will be an opportunity to be heard?

Mr. McNARY. Mr. President, a parliamentary inquiry. The Senate adjourned last evening, did it not?

The PRESIDENT pro tempore. The RECORD shows that the Senate adjourned last evening.

Mr. McNARY. Then, automatically, the calendar comes up today.

The PRESIDENT pro tempore. That is correct, under rule VIII.

Mr. McNARY. Under rule VIII. The Senator from Kentucky desires to amend the usual formula by asking unanimous consent for the consideration of unobjected-to bills;

but in the absence of that agreement the calendar would come before the Senate.

The PRESIDENT pro tempore. That is true.

Mr. JOHNSON of California. Mr. President, will the Senator yield to me for a moment? The RECORD seems to me to be fairly clear in regard to the matter.

Last night the Senator from South Carolina [Mr. BYRNES] suggested, after he had presented his matter, that—

I will do whatever the Senator from Oregon wishes. If delay is desired, I shall not ask for action on the bill today.

Mr. McNARY. Why not let the bill remain the unfinished business, and let the Senate carry out its purpose to adjourn out of respect to the memory of our late colleague?

Mr. BYRNES. Very well. I ask that the bill be read.

The PRESIDING OFFICER. The bill will be read.

The Chief Clerk read as follows:

"Be it enacted, etc., That the act approved March 8, 1938 (52 Stat. 107), as amended by the act of March 4, 1939 (53 Stat. 510), be amended as follows: In section 4 delete the figure '\$900,000,000' and insert in lieu thereof the figure '\$1,400,000,000.'"

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from South Carolina.

The motion was agreed to; and the Senate proceeded to consider the bill (S. 3998) to increase the credit resources of Commodity Credit Corporation.

It seems to me we are left, then, at the close of the session with the Senate having agreed to consider this particular bill, and this particular bill comes before us this morning the first thing.

Mr. BARKLEY. That would be true if the Senate met today following a recess, but the Senate adjourned yesterday, which, of course, brings about a morning hour. In the course of considering the morning hour's business we have reached the calendar. We either have to dispense with the call of the calendar or get an agreement to consider unobjected-to bills, or proceed with the calendar until 2 o'clock, and debate the first bill or any other bill.

Mr. JOHNSON of California. After the particular exchange to which I have referred had been had, the Senator from Kentucky made a statement, and I read that statement:

Mr. BARKLEY. Mr. President, before the Senator from Vermont [Mr. AUSTIN] makes his motion, I wish to advise the Senate that tomorrow, as soon as the routine business of the morning hour shall have been concluded, I shall ask the Senate to consider bills on the calendar to which there is no objection. There are a number of bills on the calendar which should be considered before the week is over, and I think we shall have time to do that tomorrow.

Mr. BARKLEY. That is correct.

Mr. JOHNSON of California. It seems to me it is not difficult to unravel the situation, then. But it depends now upon what is to be done by the Senate tomorrow, and if it will not be presumptuous I should like to inquire whether it is the intention of the Senator from Kentucky to ask tomorrow that we adjourn, and adjourn sine die.

Mr. BARKLEY. It is not.

Mr. JOHNSON of California. Is it the intention to ask for a recess until a day in August?

Mr. BARKLEY. That depends, I will say to the Senator. I had first thought—and I have been trying to work it out with the other body—that we could recess until the 1st of August. Whether that can happen or not I do not know. But I understand the House is now considering a suggestion to recess from tomorrow until Monday week, which would be after the Philadelphia convention; and if they adopt such a resolution as that and send it to the Senate, I think it is likely we could agree to it. Unless the House passes some resolution of that kind or some resolution with respect to a recess, I do not intend to offer any resolution on the subject either of adjournment or of recess. But if we cannot recess for a week, I think, as is customary, out of respect to our colleagues here, we will have to have an understanding that no important business shall be transacted next week—that we will recess from Monday until Thursday and from Thursday until the following Monday.

Mr. JOHNSON of California. Quite so; and I think that would be an eminently fair suggestion. But I am one of those who do not want Congress to adjourn or to recess for a definite period until August, and I am trying to ascertain the facts so that I can govern myself accordingly.

Mr. BARKLEY. I understand the Senator. I cannot tell him now what kind of a resolution the House may adopt and send to the Senate, or whether it will adopt any, but I think it is likely that they will not adopt any that will provide for a recess of more than a week.

Mr. McNARY. Mr. President, I think the able Senator from California has voiced the sentiments of the Republican Senators. We desire to remain in session constantly from day to day. However, an arrangement in accordance with the very generous statement made by the able leader of the Democratic Party in the Senate would permit us to meet Monday and recess until Thursday, and meet Thursday and recess until the following Monday, to permit those who desire to attend the Republican convention to do so.

So far as recessing to a definite time is concerned, whether it be for a week or a month or 2 months, I think it may be said, in fairness to the Democratic leader, that the Republican Members of the Senate object to that form of arrangement.

Mr. BARKLEY. I appreciate that suggestion. I understand that to be the public attitude of the minority, taken in a conference which they held. Many of them have told me that they voted for that action in the conference with so many of their fingers crossed that it made their hands look as if they had been deformed through a lifetime of rheumatism. [Laughter.] At the same time I realize that is the action they have taken.

I wish to say to the Senator from Arizona that I am for his proposed Boulder Dam bill. I think it can be passed on the call of the calendar. I am for his mineral bill, and I will cooperate with him in an effort to get that bill brought up separately before tomorrow night if we cannot pass it on the call of the calendar, if there should be objection to it.

I will say frankly that the Senator from Massachusetts [Mr. WALSH], the chairman of the Committee on Naval Affairs, has a naval bill, which is part of the defense program, which he desires to have acted on. I do not think the consideration of that bill will take long, and it is very necessary to get it through. But I have every reason to believe we can take up the bill of the Senator from Arizona if it cannot be passed on the call of the calendar.

Mr. CLARK of Missouri. Mr. President, there are other bills on the calendar in which other Senators are interested. For instance, the bill introduced by the Senator from Arizona prohibiting interstate commerce in convict-made goods is a bill which has very wide support. I do not know whether it can be passed on the call of the calendar or not, but I do not want to see others precluded. I think there should be a regular call of the calendar before the end of the session, and at the earliest possible date, not for unobjected-to bills but a regular call of the calendar, so that Senators may have opportunity to move to take up bills.

Mr. McNARY. I call for the regular order.

Mr. BARKLEY. The hope is that we may have such a call. The PRESIDENT pro tempore. The regular order is called for. The Senator from South Carolina has the floor.

Mr. BYRNES. Mr. President, I move that the Senate proceed to the consideration of Senate bill 3998, the Commodity Credit Corporation bill.

Mr. NYE. Mr. President—

The PRESIDENT pro tempore. The motion is not debatable.

The motion was agreed to; and the Senate proceeded to consider the bill (S. 3998) to increase the credit resources of the Commodity Credit Corporation, which had been reported from the Committee on Banking and Currency without amendment.

Mr. BYRNES obtained the floor.

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

Mr. BYRNES. I yield.

Mr. NYE. I have no desire to delay the passage of the bill which the Senator has before the Senate at the present time, but I wish to make inquiry of the majority leader whether it is his intention to ask unanimous consent, on the disposal of the unfinished business, that we proceed to consider the calendar under the 5-minute rule.

Mr. BARKLEY. That had been my purpose. I will say to the Senator, in response to his former question, that undoubtedly there will be opportunity for the Senator to address the Senate even after the call of the calendar. We have to take up the naval bill, and we will have to take up several other bills before the end of the week. I am sure the Senator will have an opportunity to address the Senate.

Mr. NYE. Mr. President, I shall seek recognition at the conclusion of the consideration of the unfinished business, and seek to make my remarks then.

Mr. BYRNES. Mr. President, the pending bill was reported from the Committee on Banking and Currency by unanimous vote. It is made necessary by reason of the fact that the Agricultural Adjustment Act provides that should the prices of certain commodities decline to 52 percent of parity, loans by the Department of Agriculture shall be mandatory.

Today the Commodity Credit Corporation has available for such loans, if the loans become necessary, a little more than \$20,000,000. Because of the fact that our exports to European nations are necessarily curtailed, if not absolutely destroyed, it is evident that there will be a necessity for the department to make such loans.

The committee therefore has reported this bill, giving to the Commodity Credit Corporation an increase in its borrowing power so that should the necessity arise, they can make the loans. If the prices of wheat, corn, cotton, and tobacco, should not decline, the loans would not be made. Should those prices decline below the percentage fixed in the law, then the loans would have to be made.

It is necessary that the Commodity Credit Corporation be clothed with the power to carry out the provisions of law. That is all there is to the bill.

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

Mr. BYRNES. I yield.

Mr. KING. Assume that, by reason of convulsions throughout the world, our foreign market is practically destroyed—and, of course, the repercussions would be manifested in our domestic market—and wheat, corn, and other commodities should fall to a very low figure. Under the law would this organization be compelled to make loans?

Mr. BYRNES. They would be compelled to do so.

Mr. KING. Nevertheless, there might be enormous losses which would have to be paid by the Government?

Mr. BYRNES. The question of losses would be determined on liquidation. At present, under the law the Corporation must file a statement as of March 15, and as of March 15 last there was a paper profit of \$75,000,000 because prices happened to be high. Today there would be shown to be a paper loss instead of a paper profit.

Mr. KING. Has a statement or report been made by this Corporation to Congress or to some executive agency of the Government indicating the amount they have expended by way of loans, the losses and the profits, and what they have on hand?

Mr. BYRNES. That information is contained in the hearings, two statements, not only the one of March 15, but a statement as of April 30, the date of the hearings, giving the exact information the Senator desires to secure.

Mr. KING. Would the Senator care to state the amount which has been loaned, the sources from which the money was obtained, and the amount of assets which the Corporation has at present?

Mr. BYRNES. As to the source, it is obtained from the sale of securities which the Commodity Credit Corporation borrowed from the Treasury. I shall be glad to hand the Senator the itemized statement, which is quite lengthy, but gives the detailed information. To my surprise, on the commodities which have actually been liquidated to date, there has been an actual profit. But the question of profit or loss depends, of course, upon what would be the situation if the Corporation were required to liquidate today all the commodities held as security. There would be a loss if the Corporation were forced to liquidate today. That statement differs from day to day as the price of the commodities held differs.

The Senator will find that the committee went into that matter in the hearings, which give to the Senate information as to the assets and liabilities, and as to the loans guaranteed. The loans are made through banks, and the Corporation guarantees the loans. That is necessary at this time. If there are any losses they have to be made good.

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

Mr. BYRNES. I yield.

Mr. McNARY. I am very greatly interested in the objective of the Commodity Credit Corporation. I think, however, it has made some unwise loans. I am curious whether the Senator has a statement of the losses sustained on the capitalization heretofore granted the Corporation by Congress.

Mr. BYRNES. I was just saying something along that line in answer to a question propounded by the Senator from Utah.

Mr. McNARY. I am sorry I did not hear that. I shall be glad to read it if the RECORD discloses it. I was obliged to leave the Chamber for a moment and failed to hear that explanation.

Mr. BYRNES. The answer is that, somewhat to my surprise, a profit was made on the commodities that have actually been liquidated. But the question of whether or not there is a profit or loss depends on the price of the commodities on the day we ask the question. For instance, the law requires that the statement be made as of March 15. On that date this year the price of wheat, corn, and cotton was much higher than it is now, and there was shown a profit—a paper profit I call it, because that is all it is—of \$75,000,000, which, under another provision of the law, the Commodity Credit Corporation must pay to the Treasury out of this fund.

If we take the price as of today, because of the amount of cotton that is held, there would be a loss.

Mr. McNARY. What would be the extent of that loss?

Mr. BYRNES. Mr. President, I must say that I have not followed the price of cotton the last few days.

Mr. McNARY. The Senator will recall that when we extended the capitalization of this corporation 2 years ago there was a very great loss incident to loans made on cotton.

Mr. BYRNES. That is true.

Mr. McNARY. I am not criticizing the Corporation because of these losses, but I would probably criticize the administration of the act in the lending of more money than was justified by the price of cotton. The loans did a great service to the cotton growers. I am not objecting to that. I only mention that situation. I know of other commodities in connection with which losses have been made. I believe a miscalculation was made with respect to the price level of the products, or they were struck by the depression. In any event, losses were incurred.

What I should like to obtain, if the Senator has it, is a statement of the loans that were made on the different commodities in the order in which they were made, and the losses and profits that may accrue from these loans. Has the Senator such a record?

Mr. BYRNES. Mr. President, I will say that in order to determine that we must take the value of the cotton which is now held by the Commodity Credit Corporation. Some of it was bought at high prices. It would represent on a given date a loss. I will give to the Senator the answer of the official in charge who replied to this question. He said that if all the assets of the Commodity Credit Corporation on March 31 had been sold at the then prevailing market prices, and all its liabilities had been paid, the Corporation would have returned to the Treasury the original \$100,000,000 of capital appropriated by the Congress, plus an estimated \$75,000,000 of profit. There have, however, been appropriations to offset deficits in 2 earlier years. That is the situation as it stands today.

Mr. McNARY. What amount of money has the Congress appropriated to the capital stock of this Corporation in toto?

Mr. BYRNES. Outside of the \$100,000,000, there was an appropriation provided to make good a deficit, as the official of the Corporation testified. The exact amount of that, I do not know, but it is set forth in a letter addressed to the

Senator from Ohio [Mr. TAFT]. I think he secured a statement of the amount.

Mr. McNARY. The original capitalization was \$100,000,000.

Mr. BYRNES. Yes.

Mr. McNARY. Did we not increase that by \$200,000,000 in the consideration of the last model of the A. A. A. measure?

Mr. BYRNES. No; it was not increased by that legislation.

Mr. BYRD. Mr. President, will the Senator yield to me so that I may answer the question of the Senator from Oregon?

Mr. BYRNES. I yield to the Senator from Virginia.

Mr. BYRD. In 1938 there was an impairment of \$96,000,000 of the capital stock of the Commodity Credit Corporation. In 1939 there was an impairment of \$116,000,000. Both those items were made good by appropriations out of the Treasury.

Mr. BYRNES. Mr. President, as to the exact amount, I do not have it in mind. If the Senator from Virginia says that those two losses occurred, and that they were made good, the total represents the loss to the Treasury.

Mr. McNARY. The pending bill proposes to increase the capital stock to \$1,400,000,000?

Mr. BYRNES. It raises its borrowing power from \$900,000,000 to \$1,400,000,000.

Mr. McNARY. Then the borrowing power today is \$900,000,000?

Mr. BYRNES. Yes.

Mr. McNARY. What has been the total impairment in the amount of money advanced by the Government, through loans made by the Corporation?

Mr. BYRNES. The impairment would be the amount represented by the figures given by the Senator from Virginia. He says he has the figures at hand with respect to those two appropriations. They represent the only impairment. The statement made by the Corporation is that if the assets were sold a month ago and all liabilities paid, there would be a profit of \$75,000,000; that is, the Corporation would return the \$100,000,000 of capitalization, plus \$75,000,000.

Mr. McNARY. I may ask the Senator what amount of cotton is the Commodity Credit Corporation now holding for liens upon the money advanced? I refer to the cotton in bales. At one time it amounted to about 12,000,000 bales.

Mr. BYRNES. That amount was greatly reduced. On April 30 the Corporation had loans outstanding of \$118,000,000 on 2,500,000 bales of cotton, and on that date the Corporation owned, in addition, 6,650,000 bales of cotton.

Mr. McNARY. The Corporation owned that number of bales?

Mr. BYRNES. The Corporation owned 6,650,000 bales of cotton.

Mr. McNARY. In the loss which the Senator stated, does he take into consideration the amount of cotton held after the final disposition of the cotton impounded under loans?

Mr. BYRNES. The Corporation states that there would be no loss, taking into consideration the value of the cotton impounded, and it is stated that as of March 31, had the Corporation been liquidated, there would have been a profit of \$75,000,000.

Mr. McNARY. I am happy indeed to have that information.

Mr. BYRNES. I may say I was surprised to learn of it.

Mr. McNARY. I have no objection to the bill sponsored by the Senator. Indeed, I favor it, provided the declaration of the Senator is that the Corporation is conducting its affairs in a businesslike way, and that the losses are not larger than good business would justify.

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

Mr. BYRNES. I yield.

Mr. TAFT. Am I to understand the Senator to say that the Corporation now owns 6,600,000 bales of cotton?

Mr. BYRNES. I was reading from the hearings. That was the statement of Mr. Robbins in the hearings.

Mr. TAFT. And then they also have loans on 2,500,000 bales of cotton?

Mr. BYRNES. Yes.

Mr. TAFT. I notice in the statement on page 10 of the hearings that the Corporation has obligations to purchase loans made by private lending agencies in an amount of \$293,000,000. Is that in addition to, or is that part of the 2,500,000 bales?

Mr. BYRNES. I assumed that was part of the obligations on loans outstanding. As the Senator knows—and he was present at the hearings—all their obligations are made upon the outstanding loans.

Mr. TAFT. So in effect the Corporation owns something over 9,000,000 bales of cotton today, at a cost of perhaps \$600,000,000 or so?

Mr. BYRNES. As to the figure with respect to cotton, I will say yes. As to the amount, I do not know, because the cotton was bought at different prices, and without looking at the statement I could not tell.

Mr. TAFT. I see this estimate provides for an increase in the loans on cotton of \$100,000,000, or an approximate increase of 2,000,000 more bales, in addition to the 9,000,000 bales which we already have. That is a contingency that is provided for here.

Mr. BYRNES. That is correct.

Mr. TAFT. Is the Senator advised as to how much money is outstanding in loans on corn today?

Mr. BYRNES. Only from the statement which the Senator has in front of him. I have no other information. As to corn, the Corporation's obligations to purchase loans made by private lending agencies amount to \$108,000,000.

Mr. TAFT. And in addition, the estimate provides for increase in loans on corn, gross without any deduction, of \$150,000,000 for 260,000,000 more bushels of corn.

Mr. BYRNES. That is correct.

Mr. TAFT. And is the Senator advised as to how much is outstanding on wheat today?

Mr. BYRNES. Only as shown in the statement which the Senator has before him, \$87,956,000, which was the figure as of March 15. I have no other information than was given to the committee.

Mr. TAFT. Mr. President, I wish to say only a few words. The bill, of course, authorizes an increase in the public debt of the United States of half a billion dollars in effect. We first authorized a capital stock of \$100,000,000. We then authorized \$400,000,000 to be borrowed on the credit of the United States. Then last year we authorized \$500,000,000 more. The bill proposes to authorize \$500,000,000 more, so we shall have \$1,500,000,000 invested in various crops. As I understand, loans on corn are made at a price in excess of the price on corn. Many of the loans on cotton are made at a price in excess of the price on cotton. I think we have undertaken obligations which require that the bill be passed, but if we continue the policy of the Government buying surpluses, in effect at prices in excess of the market prices, it means a constant increase in the Government debt, and it seems to me that, in the long run, we stand a chance of a very large loss.

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

Mr. TAFT. I yield.

Mr. BYRD. The report made by the Commodity Credit Corporation as of June 30 last showed that loans to the extent of \$132,441,000 were in default. I assume that when the Senator from South Carolina [Mr. BYRNES] said that there had been a profit, he did not include the losses which were made good out of the Treasury. For 1938 those losses were \$96,000,000; for 1939, \$116,000,000; and for 1940, no report has been made.

Mr. TAFT. The Senator is correct. On March 15, 1939, the losses were approximately \$200,000,000. On March 15, 1940, the cut-off date, it happened that the price of cotton was unusually high. I think it has gone down since then, has it not?

Mr. BYRNES. It has.

Mr. TAFT. Therefore the \$75,000,000 profit was simply a book profit, because the price of cotton happened to be higher on March 15, 1940. Also, in a sense, the \$200,000,000 loss was a book loss. We may or may not make money; but undoubt-

edly the Government is in the grain business and the cotton business to a greater extent than any Government has ever been in any such commodity business.

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

Mr. TAFT. Surely.

Mr. BYRNES. To me, the interesting—and I may say surprising—statement was that on the commodities actually liquidated there was an actual profit. On the basis of the figures, there would be a loss or profit, depending upon the prices of commodities on a given date. On March 13 there was a paper profit of nearly \$75,000,000. There is actually no profit, because the prices of wheat and corn are now lower.

Mr. TAFT. Whether or not there is a profit depends on whether we sell the cotton we buy at a low price or at a high price. Those things are hardly determinative of what may happen in the long run. I should say that under the circumstances we are certain to suffer a loss. How large that loss may be, I cannot say.

BRIG. GEN. WILLIAM L. MITCHELL

Mr. WILEY. Mr. President, I rise today to do a job which I have wanted to do for a long time, a job which I should do, because it concerns the vindication of a famous Wisconsinite. It also concerns the matter of preparedness, which we have been discussing.

Yesterday we paid homage to one of our Members who has gone on ahead in the great journey. The great Wisconsinite to whom I refer has also gone on ahead. The job I wish to do now should be done, because in vindicating the memory of this man we may be able to make constructive contributions to our defensive philosophy. If there is anything we need to do now, it is to awake to the importance of defense.

Mr. President, I rise today to alter the epitaph which Army "brass hats" wrote more than a decade and a half ago for the military career of a great soldier. It is well that this epitaph be altered for the Record.

Fifteen years ago a good Milwaukeean, Brig. Gen. Billy Mitchell, blasted the Army and Navy mossbacks with a scorching broadside for "their criminal negligence and their bungling incompetency." General Mitchell, one time Chief of the Army Air Corps, was a brilliant soldier and a pioneer flier. He rebelled—and I use that word advisedly—at the criminal blindness of his superiors. Finally he publicly urged the establishment of a separate air branch for national defense.

This far-seeing man, who commanded the A. E. F. air force in France, was convinced that the airplane would be a decisive factor in all future wars. He was so far ahead of his time that he advocated aerial torpedoes, parachute troops, troop transport planes, heavy-gun combat planes, and air bases in Alaska. As far back as October 17, 1918, Mitchell discussed troop transport and parachute armies with General Pershing. At that time he urged further development and greater use of the tank. That was expert pre-vision. Mitchell was a prophet. He was ahead of his time. Today he stands high in our current history as "the man who saw them coming."

His idea of the military importance of air power dates back to 1910, and he fought from that time until his death—he fought, I say, until his death, literally becoming a martyr—to have the United States lead the world with an air armada.

Billy Mitchell never "pulled his punches." He was outspoken in his criticism, but he backed his statements with facts. As early as 1920 he literally stunned officials in Washington with the statement that he could sink a battleship with airplane bombs. Rocking-chair admirals and swivel-chair generals scoffed at the idea, but they arranged a demonstration. He directed Army flyers who bombed and sank a submarine, a cruiser, a destroyer, and then a German dreadnaught. By the way, that dreadnaught was the one which the infamous von Tirpitz said could not be sunk.

As recently as 1933 Brig. Gen. William L. Mitchell was still fighting for an air force. There was one other man in the world who was waging a similar battle. His name was Hermann Goering, of Germany. Goering's advice was respected.

Mitchell's advice was not respected. Goering was given carte blanche authority to build the German air force. He built it, and today Germany is the only first-class nation in Europe. Mitchell was repudiated, and died a broken man in 1936, at almost the same time Adolf Hitler was completing his air defenses. Not a single official representative of the Army attended his funeral.

I say it is time for us to develop an air force in this country and get away from those who can see only today and yesterday, but not tomorrow. When Mitchell made his first blistering attack on our military high-caste command, what happened? He was relieved of his tour of duty and sent to the "sticks" in a Texas outpost. When the airship *Shenandoah* crashed this man dared to speak out. He issued a bitter blast against the hide-bound officials who held down the development of the air defense of this country. The sole result of this accurate indictment was what? Billy Mitchell was arrested, court-martialed, and suspended from the service for 5 years. He was "cashiered" by a packed court. One of the greatest military minds of all time was crucified under the outmoded terms of the ninety-sixth article of war.

Today we are outmoded because we would not listen to the advice of vision of Billy Mitchell, from my State of Wisconsin. Mitchell was pilloried by military martinets. His ideas were stifled and his beliefs entombed. If he were alive today he could say, "Gentlemen, I told you so." He could enjoy the last laugh, though it would be a grim one, because today, just 4 years after his death, we lay plans for an Air Corps of 50,000 planes, an even mightier air fleet than Mitchell envisioned.

Mr. President, vindication is always late. Mitchell's case may never be reopened by an Army court. Meanwhile, confession is good for the soul. It is good to know that Maj. Gen. Edwin B. Winans, a member of the court-martial board which tried Mitchell, recently publicly admitted—and I quote:

Mitchell was right and we were wrong.

Pray God that the mistake of those who were wrong will not present America as another France to the world. The vindication came too late for Billy Mitchell; but I hope it does not come too late for us publicly to alter his epitaph as the public reads it.

Mr. President, I ask unanimous consent to have inserted in the CONGRESSIONAL RECORD at the conclusion of my remarks an article from the Milwaukee Journal of May 24, 1940. That article is entitled "Air War a Vindication of General Mitchell." I want the RECORD to be straight on the vindicated vision of Brig. Gen. William L. Mitchell, from Wisconsin.

The PRESIDENT pro tempore. Without objection, the article may be printed in the RECORD.

(See exhibit A.)

Mr. WILEY. Mr. President, a lip service of vindication is not enough. In the Holy Writ it is written, "Where there is no vision, the people perish." Some of us who listened to Petain the other day heard him tell of his beloved France going down, not because the soldiers failed but because France failed 4 or 5 years ago to see what Billy Mitchell saw.

On the floor of the Senate we now admit we are unprepared because we failed to see what he saw. The truth of the statement that without vision a nation perishes is evident to everyone. The truth of that warning is written in the trail of blood flowing across all Europe today. If we are really to vindicate Mitchell, we must erect a monument to his memory in the sacred shrine of a new concept of security; we must grasp what we are facing and meet it head-on. It is not enough for us to look backward. We have got to meet the challenge of this hour; we have got to realize that the Hitler revolution is one of the stupendous movements of history. It not only affects the geography of the world but it affects the economic picture of all life on this globe.

It will do no good to build planes and make guns if we do not use brains and vision in their design and in their use. We must eliminate any vestige of a vicious military caste system which crucifies courage and vision. That is what Petain found was the matter with France, and, perhaps, in our own land today we had better look to our own faults and shortcomings.

Have we denied men with ideas an opportunity? The best demonstration of what we have done is what was done in crucifying Billy Mitchell. We must scrap outmoded ideas, red tape, and, above all, mossback thinking. We must insist on open minds, receptive to new ideas, and we must insist on a fair hearing for such ideas.

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

Mr. WILEY. I yield.

Mr. TYDINGS. I do not know what the Senator has in mind to propose as a matter of vindication in line with his argument, but I think he might well consider, being a Senator from Wisconsin, having a bill introduced which would give to the widow and children of General Mitchell for the period of life at least the salary and allowances which he would have had if he had not been eliminated from the Army. Mere words will not do General Mitchell any good, but they will do the country good, and I am glad the Senator is speaking as he is speaking. But, for one, having a feeling that General Mitchell, as the Senator indicates, was victimized—perhaps General Mitchell was not completely right, but certainly he was not altogether wrong either. I think it might be well for the Senator to consider, as he has given some thought to the matter, a measure which would give to General Mitchell's widow and children at least the pay which he would have had during his life if he had not been court-martialed from the Army.

Mr. WILEY. I thank the distinguished Senator very much for his suggestion.

Mr. LUNDEEN. Mr. President, will the Senator yield there?

Mr. WILEY. I will yield in a few moments, but I should like to conclude the chain of thought which I started.

May I say that my speaking today is not primarily for the purpose indicated by the Senator from Maryland, though I have that purpose in mind? My purpose in addressing the Senate and taking its time goes far deeper than merely asking that General Mitchell's name be cleared. Time has cleared his name. One of my purposes in rising is to bring to the Senate and the country the significant questions, Has America become soft; has America put herself in the same position into which France and other countries fell? Are we by neglect making ourselves an open target to the new "blitzkrieg" methods developed by the brains and ingenuity of Hitler? It does not do us any good to sit back here and damn Hitler, but we can, perhaps, profit from some of the ideas he has put into effect—not to emulate such a character as he is, not to become a destructionist but, rather, to protect ourselves and all the values we have in America, the great freedoms which we never did a thing to attain but which were handed to us on a silver platter, to protect those freedoms against experiences similar to those through which France, Holland, Norway, Belgium, Poland, and other countries have gone.

Mr. President, it is necessary that we slough off all dead timber in our military system. Let me say that does not apply only to the military system. The distinguished Senator from Maryland [Mr. Tydings] has been showing that we have got to slough off dead timber in our economic system. He has done a great job. Largely through his efforts we, at least, passed a bill the other day which indicated not simply to this country but to the world that, if war should come, we will dig deep down in our pockets as we never dug before to the tune of raising \$15,000,000,000 from incomes, and we have said to the world that, if war comes to America, we will be ready.

There are many other ways we could learn from Billy Mitchell. If necessary, we can revamp our naval and military training schools so that less emphasis would be laid on antiquated tactics and more on the vision needed to meet new emergencies.

Mr. President, when I make that statement I say what has been told to me by graduates of West Point and Annapolis. We must see to it that the mere wiping off of dust is not so significant as getting the cobwebs out of the brain. We must get men who will develop mentally to the point

where they realize that life is growth and that growth never stops in the mind of man if man would have it that way.

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

Mr. WILEY. I yield to the Senator from Oregon.

Mr. HOLMAN. Mr. President, in line with the Senator's remarks, I wish to call the attention of the Senate, of the Senator from Wisconsin, and of the country to the fact that there is right now a case, in my opinion, similar to that of the Mitchell episode. There is an inventor of a high explosive, a Mr. Barlow, who is not receiving the cooperation and encouragement from the Ordnance Department of the United States Army that should be given to him in this hour of our Nation's need. The defense of our Nation right now in this day, in my opinion, as a member of the Military Affairs Committee of the Senate, is being denied the development of an explosive more powerful than anything now known.

Mr. WILEY. I thank the distinguished Senator from Oregon for his contribution.

Now, let me say to the Senate, the things I have said we must do to vindicate ourselves and vindicate General Mitchell, we must also do to protect America; and we must do them because we cannot gamble with our American destiny.

Mr. President, to safeguard America we have to find an effective antidote for the "blitzkrieg" methods of the Hitler revolution.

(At this point Mr. WILEY yielded to Mr. LUNDEEN, who introduced Senate bill 4168, which appears under a separate heading.)

Mr. WILEY. Mr. President, when I was a youngster studying in the University of Michigan with my friend the distinguished Senator from California [Mr. DOWNEY], we took class work under the distinguished Professor Trueblood in oratory. In those days when we looked ahead to the time when we might be Senators of the United States we, in our minds, saw ourselves as Websters and Hayneses, and saw the other Senators sitting around listening with close, enraptured attention—just as they are listening now. [Laughter.] In our mind's eye we saw the chairs completely filled; we saw the Senators saying to themselves, but never speaking out loud, "Ah, he is hitting the ball"—just as they are doing now. [Laughter.] We thought, too, that in the Senate of the United States there was the quintessence of courtesy and the perfection of conduct and that every Senator listened to his fellow Senator, in rapt attention.

We have since learned, however, that the presiding officer performs an important function in doing what we never thought could be possible—calling to order the Senate, the greatest deliberative body in the United States—and only the occupants of the galleries are supposed to listen. [Laughter.]

Mr. LUNDEEN. Mr. President, I can assure the able Senator that we are listening very carefully to his remarks.

Mr. WILEY. I thank the Senator. That at least one Senator is listening, is a remarkable compliment to any speaker in the United States Senate. [Laughter.]

Mr. President, to safeguard America we have to find the effective antidote to the "blitzkrieg" methods of Hitler's revolution. I commented on what the revolution is. It is not simply another war. We are running into one of the stupendous periods of history, comparable with the period of the Renaissance and the Reformation, comparable to the period of the industrial revolution; and anyone who is "sitting by the side of the road," and does not appreciate that the world is turning over, is simply not awake. Consequently, it is up to us to realize that we cannot follow our outmoded methods of yesterday, whether in warfare or in thinking.

Billy Mitchell was the type of man who stretched out ahead, and used his imagination. Our military experts now say that the antidote to the Hitler "blitzkrieg" is to be found in bigger and better air fleets, bigger and better navies, bigger and better tanks, bigger and better mechanized military equipment, a bigger and better Army. This may be the answer; but I believe that if Billy Mitchell were alive, or if men like Billy Mitchell were permitted to use their ideas, they would seek out new ways. Billy Mitchell would not continue building battleships as they are now built. He would make them more immune to attack by torpedoes, more immune to attack by

bombers. He also would use his God-given ingenuity to meet the mechanized dreadnaughts not simply with dreadnaughts but with improved methods.

Mr. President, we cannot have antiquated minds looking after America. We cannot have outmoded minds looking after America. If we do, we shall not have any America.

As I said in the Senate in another connection, it is time that the people of this country—you, and you, and you—look after your big business in Washington, and forget a little of your own little business back home; because if you do not look after your big business of Government, which spent \$11,000,000,000 last year, you will not have any little business back home to look after.

I repeat, we cannot have antiquated minds looking after America. Gold braid does not make a soldier. We have here in America the best inventive minds in the world, the greatest genius for doing things, but we simply have not been utilizing the minds or the genius. The mind of a Billy Mitchell would have sought out ways of stopping these land dreadnaughts, not according to military rules but by the use of mechanical, explosive, or electrical force. He was no "rut-ist." He was an experimenter, an adventurer, an explorer. He sank ships with bombs. And then the gold-braid fellows who had control of the forces of America—air, naval, and Army—forgot his experiment.

Of course he was not a West Pointer, but he was the son of a United States Senator from Wisconsin, a Spanish War veteran, a veteran of the Philippine Insurrection, and the chief of the United States flyers at the front in 1917. He was not a swivel-chair soldier.

He had the Distinguished Service Medal, the Croix de Guerre with five palms, and other great medals, and was made a commander of the Legion of Honor.

Mr. President, my remarks today—and I am about to conclude—have a twofold purpose. First, I want to put in the CONGRESSIONAL RECORD this tribute to one of Wisconsin's greatest sons and one of America's greatest soldiers.

Second, I am hoping that these remarks will make a contribution to arouse those, who have charge of our military, naval, and air forces to take stock of them, and see that antiquated tactics, red-tape methods, caste controls, are done away with.

I am hoping that the crusading spirit of Billy Mitchell will enter our great military, naval, and air establishments. I pray God that his spirit is there to enliven, to give vision to the men who hold in their palms the safety of our America. I am hoping also that as a result partially of these remarks the subordinates in the ranks, the men of ideas, will be given an opportunity to express them, to "sell" them, to demonstrate them. I am hoping also that the establishments of the Army and the air and the Navy will not be so hide-bound that they will fail to reach out for ideas that will help this country, no matter where those ideas come from.

Why should not a farmer, ploughing in his field, be the originator, if you please, of some great defense idea? Edison was told by his teacher that he was so dumb that there was no hope for him. He never went to West Point or Annapolis, but there was something about him that made him the greatest genius of his time. So I repeat, I hope that those who have charge of the Army and the Navy and the air force will be on the receiving line to get ideas that are ready to be discovered. Damn the ostrich mind! I am also hoping that this Government will create an independent experimental laboratory to supplement the activities of our three great forces of defense. In this laboratory, ideas can be tried out and new forces can be discovered.

America must be made safe. The spirit of Wisconsin's Billy Mitchell speaks this command to all of us.

EXHIBIT A

[From the Milwaukee Journal of May 24, 1940]

AIR WAR A VINDICATION OF GENERAL MITCHELL—15 YEARS AGO FIGHTING HEAD OF A. E. F. FLIERS FORETOLD HOW NEXT CONFLICT WOULD BE FOUGHT AND WARNED THAT MASTERY OF SKIES MIGHT MEAN MASTERY OF WORLD

The brass hats kicked Milwaukee's "Billy" Mitchell out of the Army for shouting from the housetops in favor of such an Air Service

as the United States at last is to have. It took the crash of Nazi lightning in the Low Countries and northern France to awaken America's war lords, who were merely annoyed and angered by the warning voice of General Mitchell. Fifteen years after the military chiefs hung Billy Mitchell's scalp on their totem pole, 4 years after his death, the President laid before the country a plan for an air corps of 50,000 planes, and a few days later Congress moved to provide the first unit of 16,000 ships in that mighty air fleet—a greater force than Mitchell ever envisioned.

Even after Norway, diehards of the military clique that sent Mitchell to Coventry were only mildly interested in expanding the Nation's air defenses. They still were beating the tom-toms for a bigger Navy of bigger ships, which would require years to build and which, even as far back as 1921, General Mitchell insisted would be impotent under attacks from the air.

When the devastating "blitzkrieg" struck, Allied defenses crumbled under the smashing attacks of wave upon wave of German airplanes. Allied troops melted under the blistering fire of machine guns and cannon and bombs from the air. All that was left for the ground troops was to mop up in the wake of the hurricane. The importance of air supremacy in modern warfare had been proven in a way to convince even the most mossbacked Tory of the Army and Navy club.

Fifteen years ago General Mitchell wrote in his book, *Winged Defense*: "Neither armies nor navies can exist unless the air is controlled over them. Air forces, on the other hand, are the only independent fighting units of the day."

"A new set of rules for the conduct of war will have to be devised and a whole new set of ideas of strategy learned by those charged with the conduct of war. No longer is the making of war gaged merely by land and naval forces. The air force has ceased to be a mere auxiliary service for the purpose of assisting an army or navy in the execution of its task. No missile-throwing weapons or any other devices have yet been created or thought of which can actually stop an air attack. The only defenses against aircraft are other aircraft which will contest the supremacy of the air by air battles. Great contests for control of the air will be the rule in the future. Once supremacy of the air has been established, airplanes can fly over hostile country at will."

"If a nation ambitious for universal conquest gets off to a 'flying start' in a war of the future, it may be able to control the whole world more easily than a nation has controlled a continent in the past."

"In the former conception of national defense the principle was held that to invade a nation the piercing of its lines of resistance was necessary. If the nation lay across the sea, its lines of battleships had to be pierced, destroyed, and overcome to gain access to the shores. Again, the line of the armies had to be pierced to gain access to the interior. This condition no longer exists in its entirety and is decreasing relatively every day. Aircraft do not need to pierce the line of either navies or armies. They can fly straight over them to the heart of a country and gain success in war."

"The missions of armies and navies are very greatly changed from what they were. No longer will the tedious and expensive processes of wearing down the enemy's land forces by continuous attacks be resorted to. The air forces will strike immediately at the enemy's manufacturing and food centers, railways, bridges, canals, and harbors. The losing side will have to accept without question the dominating conditions of its adversary, as he will stop entirely the manufacture of aircraft by the vanquished."

"Surface navies have entirely lost their mission of defending a coast because aircraft can destroy or sink any seacraft coming within their radius of operation. In fact, aircraft today are the only effective means of coast protection. Consequently, navies have been pushed out on the high seas. The menace of submarines from below and aircraft from above constitutes such a condition that the surface ship as an element of war is disappearing."

Those were the ideas that sent General Mitchell to the dog house, the ideas he held as an acting brigadier general and Assistant Chief of the United States Air Service under a nonflying chief. His 4-year appointment was not renewed, and in June 1925 he was sent to Texas in his permanent rank of colonel.

For 4 years the Army and Navy clique had been after his scalp. From the time of his return after the World War, Billy Mitchell had been getting in the hair of the generals and admirals with his criticism of what he considered the obsolescent concepts of war held by the older services.

"Nations nearly always go into an armed contest with the equipment and methods of a former war," he wrote. "Victory always comes to that country which has made a proper estimate of the equipment and methods that can be used in modern ways."

The real fireworks in the controversy started in the fall of 1920, when Mitchell told Congress that "we could destroy, put out of commission, and sink any battleship in existence or any that could be built." The admirals rushed to the defense of their babies. The Secretary of the Navy announced that he was willing to stand on the bridge of the ship while it was bombed. Congress, however, authorized the President to designate warships to be used as targets for the Air Service experiments.

Several German vessels had been turned over to the United States after the war under the condition that they should be destroyed within a certain time. The Navy was ordered to give the Air Service a chance to try out its bombs on some of them. It assigned a submarine, a destroyer, a cruiser, and a dreadnaught. The latter, specially designed, was considered by naval authorities the world over to be "unsinkable."

The tests started on June 21, 1921, when three lumbering old flying boats of the naval air service flew over the submarine, dropped only nine 180-pound bombs and split the sub in two. General Mitchell, who personally directed the demonstrations, gave his entire brigade a shot at the destroyer, starting out with pursuit ships dropping 50-pound bombs and ending with the heavy bombers' 300-pound charges, one blast of which sent the destroyer to the bottom. Against the cruiser, 100-pound, 300-pound, and 600-pound bombs were used, and against the "unsinkable" dreadnaught 1,100- and 2,000-pounders. The tests were spread out over more than a month, efforts being made to keep the more heavily armored vessels afloat as long as possible without destroying the purpose of the demonstration, which was to prove that airplanes could sink battleships. At the end, all four of the targets were on the bottom of the sea.

General Mitchell's men flew ships with speeds of little more than 100 miles an hour and able to carry little more gasoline than was needed to make the round trip from shore base to target. They were dropping bombs little different from the ones used in the World War, which had ended only 3 years before. Their bomb-sights, while much improved over those of the World War, were far inferior to those being used in Europe today and were primitive compared to the accomplishments claimed for the secret new bomb sight of the United States Air Corps. And yet the demonstration was a complete success in the eyes of everyone but the admirals. It merely strengthened their furious determination to quiet this upstart, a purpose in which they found considerable support among Army bigwigs.

One reason for that, of course, was that Billy Mitchell was not a West Pointer. He was an 18-year-old freshman in George Washington University at Washington, D. C., where his father was a Senator from Wisconsin, when the Spanish-American War started. Billy Mitchell enlisted in Company M of the First Wisconsin Infantry in May 1898. He was a lieutenant before his company reached Cuba.

He served in the Philippines during the insurrection, went back to school long enough to get his degree, and then returned to the Army. After many notable accomplishments, he learned to fly in 1914, and as a major was sent to France the same year as a United States military observer.

When the United States entered the war in 1917, Mitchell was promoted to colonel, helped Gen. Mason M. Patrick build up a United States air service at the front, and later, as a brigadier general, became chief of all United States flyers at the front.

Mitchell was no swivel-chair general. He flew constantly over the front, won the Distinguished Service Cross for repeated acts of extraordinary heroism in action, a second time for bravery beyond that required by his position as chief of air service. He won also the Distinguished Service Medal, Croix de Guerre with five palms, Commander of the Legion of Honor (French), Companion of the Order of St. Michael and St. George (British), Commendatore S. S. Maurizio e Lazzaro, medal for merit, and Grand Officer of Italy.

It was lessons that he learned at the front that started General Mitchell on his crusade for a powerful, unified, and independent air service when he got back to the United States. And it was his insistence on independence for this war-proven third arm of the Nation's fighting forces, added to his showing up the vulnerability of their battleships, that added the final fuel to the flame of the admirals' and generals' wrath. They might not think much of the Air Service, but they wanted what there was of it for their own. If it had not been for the faith of General Pershing in his flying general, Mitchell's hide would have been tacked to the Army and Navy Club door long before it was. As long as Pershing was Chief of Staff, "General" Mitchell was safe. But the time came when Pershing was no longer in position to protect him, and "Colonel" Mitchell was on his way to Texas.

Mitchell was in exile, but his voice gained strength in the Texas air. He had been there only a short while when the tragic wreck of the dirigible *Shenandoah* and other naval aviation disasters elicited a real blast from him. It was that famous long statement in which he included the charge: "These accidents are the direct result of the incompetency, criminal negligence, and almost treasonable administration of the national defense by the Navy and War Departments."

Colonel Mitchell expected court martial after his article was published, and he got it. But he also got his ideas before the country. Convicted, he was suspended from the Army for 5 years without rank and without pay. President Coolidge tempered the sentence by permitting him to retain his rank and allowing him half pay. Mitchell chose to resign from the Army. But as gentleman farmer in Virginia he kept up the fight.

"The bodies of former companions and buddies molder under the soil in America, Asia, Europe, and Africa, many, yes many, sent there directly by official stupidity. We would not be keeping our trust with our departed comrades were we longer to conceal these facts."

Up to the time of his death Mitchell kept the faith, crusading for a stronger air force. As late as 5 years ago, a year before his death, he wrote on *The Next War in the Air*, and said an enemy air force could operate from an Alaskan base, quickly attack a triangle bounded by New York, Chicago, and Washington, put seven transcontinental railroads out of commission, destroy reservoirs, and disrupt power plants.

Two or three air cruisers, he said, attacking each of seven cities in the triangle, would make 20,000,000 persons homeless.

All of Mitchell's ideas have not been realized, but many of them have. His faith in the airplane in warfare has been tragically proven justified. The United States at long last is building the world's greatest air force. Nonfliers have been eliminated from command over fliers. All Naval Academy graduates who can pass the physical examination are instructed in flying, and only 9 of the almost 3,000 officers of the Army Air Corps are not fliers. But the United States does not yet have a unified and independent air corps similar to those of Germany, England, and France.

CLIFFORD F. BUTCHER.

During the delivery of Mr. WILEY's speech,

Mr. LUNDEEN. Mr. President—

Mr. WILEY. I now yield to the Senator from Minnesota.

Mr. LUNDEEN. Mr. President, I should like to thank the able Senator from Wisconsin for his statement concerning the able and brilliant General Mitchell. He was my personal friend and collaborated with me in drafting the first bill introduced in Congress providing for a department of the air service. I introduced this bill on February 28, 1919. With the permission of the Senate, I now send to the desk and ask to have printed in the RECORD a bill which I have prepared proposing to pay to the family of Brigadier General Mitchell the salary to which he was entitled and from which he was deprived by reason of being court martialed by a lot of brass hats and little two-by-four small potato nubbins, small men who never deserved even to be considered or mentioned in the same breath with the great general. I should like also to have printed in the RECORD a statement by the distinguished aviator, Maj. Al Williams. I thank the able Senator from Wisconsin.

The President pro tempore. Without objection, the bill will be received and appropriately referred, and the statement will be printed in the RECORD.

The bill (S. 4168) authorizing the Secretary of the Treasury to pay to the widow of Brig. Gen. William Lendrum Mitchell the amounts of Army pay and allowances of which he was deprived as a result of his conviction by a court martial in 1925 was referred to the Committee on Military Affairs.

The statement presented by Mr. LUNDEEN is as follows:

[From the Washington Daily News of June 12, 1940]

CONGRESS SHOULD RESTORE BILLY MITCHELL'S RANK

(By Maj. Al Williams)

It was a sunny afternoon at Bolling Air Field. A charming, dignified woman was leading her son from one Army plane to another.

BILLY MITCHELL, JR.

The boy—keen-eyed, straight-standing—would tarry. He had to have answers to his questions about these sleek fighting ships. With patient enthusiasm the mother followed his gestures, as if she knew why the lad would not be satisfied with childish answers.

Enlisted mechanics passed to and fro, many of them youngsters, fresh from training schools, others grizzled old-timers. Now and again, they looked at the mother and son—and smiled. They knew the questions children ask about planes. Pilots were arriving and departing—and many of them, too, were very young.

A major and a lieutenant passed down the "line" of ships. Glancing at the mother and son, the major stopped short, turned quickly, left his companion, and strode toward the visitors. Saluting smartly, he said, "Pardon me, Madam, but aren't you Mrs. Mitchell?"

"Yes," came the reply. "Rather, I was the wife of Gen. Billy Mitchell."

The major's eyes brightened.

"I thought so," he said, "I served under the general in France, in Washington, and in the bombing off the Virginia Capes. And who is this young man?"

A warm smile lit the mother's face, and she answered simply, "This is Billy Mitchell."

The son of the "Stormy Petrel"! The son of the first flying general ranking officer of the United States. The son of that idol of every true flying man, who sacrificed everything in an effort to give the United States just what it needs so urgently today—air power. The son of that Billy Mitchell who defied, with words and burning truths, the traditions of the old Army and Navy—the same traditions that the flying legions of Germany are now destroying.

"STORMY PETREL"

Years ahead of his time, General Mitchell fell before the political machinations of the men of little vision who saw service prestige instead of American air power. He flew fearlessly at the head of his fighting formations—never to be imitated to this day by any ranking officer of the wingless breed who bitterly envied him and who maneuvered the court martial of the gallant flying general. Billy Mitchell flew fighting and racing planes, while they flew training planes for flight pay.

UNITED STATES DEBT TO GENERAL MITCHELL

The United States owes a great debt to General Mitchell. He did his part, and more, though we let our bureaucrats offer him the

choice between resignation or discharge from the Army. If only he had been heeded we would have had the air power that Hitler owns today.

Is it not the duty of Congress to restore General Mitchell's name, full rank, to the Army files and present a medal of public appreciation to the son of the "Stormy Petrel"? Billy Mitchell, Sr., has passed on. His spirit and his name live in Billy, Jr. The public, not knowing that General Mitchell died in 1936, is flooding his home with mail, congratulating him on the vindication of all he said; so much of this mail that it has to be delivered in trucks.

In the name of America, Mr. President and Congress, move quickly to do official justice to the indomitable spirit that lives on in every real airman—and in his son.

Mr. WILEY. Mr. President, may I ask that the interruption and matters presented by the distinguished Senator from Minnesota may appear in the RECORD at the conclusion of my remarks?

Mr. LUNDEEN. Yes; I should like to have that done.

The PRESIDENT pro tempore. Without objection, it is so ordered.

After the conclusion of the Senator from Wisconsin's [Mr. WILEY'S] speech,

Mr. KING. Mr. President, I have listened with interest to the forceful and eloquent address of the Senator from Wisconsin, and I am happy to associate myself with him in paying tribute to a great American—Gen. William L. Mitchell. He, like others who have been pioneers in new fields, was misunderstood and, many believed, unjustly treated by his Government. He served with distinction in the military arm of our Government and was recognized as a man of courage and ability. However, like many great men, he encountered opposition and was thwarted in his efforts to develop a most important branch of national defense.

Without being critical, I feel constrained to say that in all branches of the Government and, for that matter, in the field of private endeavor, too many persons and groups belong to the cult of the status quo—those who are not sensitive to the progressive forces operating throughout the world. In the military branch of the Government we have discovered that there has been inertia and a rather slavish devotion to the past. Perhaps it is human nature to resist changes and to look with distrust upon policies or measures which are not in harmony with the past.

The world is not static, but dynamic. It is true civilizations rise and fall and evolutionary progress is checked and retrogressive moments developed. The triumphs of yesterday do not prescribe limitations which should arrest further progress and greater triumphs. It is true that the pages of history record retrogression and periods of intellectual darkness—periods of inertia—indeed, of retrogression—but out of the darkness emerges light; there is a renaissance and the encumbrances that have retarded progress are cast aside. In the military field there have been periods of inertia, and military leaders have been controlled by old-fashioned and, indeed, reactionary policies as a result of which they were unable to meet new developments and methods of warfare.

History records the defeat of armies and naval forces because of newer methods and techniques in the field of warfare. That fact is emphasized in the present European conflict. Mechanized armies win against the bravest military forces who oppose with weapons of yesterday. The submarine and the airplane have wrought mighty changes in the field of war. There was opposition to the development of the submarine as there was to the development and utilization of the airplane for military purposes.

For a number of years the importance of the submarine was not appreciated, and too much reliance was placed upon huge battleships and battle cruisers. Those in charge of military and naval operations in our own as well as in other countries, looked with unconcern if not suspicion upon the airplane. This new force or agency was regarded with unconcern, and there was opposition to the development of airplanes as an important part of military defense. Germany has demonstrated that the bombing plane and other aircraft are most important if not vital factors in all military operations both upon land and upon the sea. The success of

the Nazi operations, upon land and sea have been largely due to the great development of the airplane.

It has been my opinion for several years that we were too indifferent to this new factor in the field of war. I was a member of the Committee on Naval Affairs of the Senate for a number of years immediately following the World War, and I became convinced of the vital necessity of developing aviation and of constructing submarines. I reached the conclusion that there should be greater coordination of both the military and naval forces; that there should be a Department of National Defense under the control and direction of a Secretary of Defense, appointed by the President.

Bills which I offered in the Senate provided that in the Department of Defense there should be three secretaries known as the Assistant Secretary for the Army, the Assistant Secretary for the Navy, and the Assistant Secretary for the Air Force. I believed in the coordination of the various agencies of the Government connected with the national defense of our country, and I particularly emphasized the importance of the functions of the Secretary of the Air Force, and urged the development of a powerful and effective air force to operate both upon land and sea.

I became acquainted with General Mitchell when I was a member of the Committee on Naval Affairs, and my interest in aviation and the development of a powerful air force for national defense was intensified by reason of his enthusiasm and earnestness for the adoption of measures that would make for the protection of our country. I believed that he was not understood or appreciated by the country, which he so gallantly served, and I was critical of the opposition which he encountered from those in military and naval circles who should have given him support in the fight which he was making for the development of an adequate air force.

It seemed to me that those in the Army and in the Navy Departments of our Government were rather reactionary and too indifferent to the lessons of the World War and particularly to the importance which aviation and the submarine would play in modern warfare.

I recall an occasion when arrangements were made to demonstrate the importance of airplanes in military and naval operations. A ship was anchored, as I recall, off the coast of Virginia and a bomb was discharged from an airplane and the effect upon the vessel was very great and furnished convincing proof of the vulnerability of ships when attacked from the skies by airplanes. But General Mitchell was criticized, and in my opinion, unfairly dealt with because of his insistence that our Government should take cognizance of this new force imperatively required for national defense. He, like many other pioneers, met opposition and suffered at the hands of those who should have applauded him and given support to him in the development of a vital and important branch of the military service of our country. I am sure that his service to his country is receiving due recognition.

CREDIT RESOURCES OF COMMODITY CREDIT CORPORATION

The Senate resumed the consideration of the bill (S. 3998) to increase the credit resources of the Commodity Credit Corporation.

The **PRESIDING OFFICER**. The bill is open to amendment. If there be no amendment to be proposed, the question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Chaffee, one of its reading clerks, communicated to the Senate the resolutions of the House unanimously adopted as a tribute to the memory of Hon. Ernest W. Gibson, late a Senator from the State of Vermont.

The message announced that the Speaker had appointed the following committee on the part of the House of Representatives, acting in conjunction with the committee appointed on the part of the Senate, to attend the funeral of the deceased Senator: Mr. PLUMLEY and Mr. PITTENGER.

The message also announced that the House had passed the following bills, in which it requested the concurrence of the Senate:

H. R. 6328. An act to amend the Tariff Act of 1930, as amended by section 34 (c) of the Customs Administrative Act of 1938 (U. S. C., 1934 ed., Supp. IV., title 19, sec. 1001, par. 1529 (a));

H. R. 9654. An act to extend for an additional year the provisions of the Sugar Act of 1937 and the taxes with respect to sugar; and

H. R. 9765. An act to provide for exercising the right with respect to red-cedar shingles reserved in the trade agreement concluded November 17, 1938, between the United States of America and Canada, and for other purposes.

ENROLLED BILLS SIGNED

The message further announced that the Speaker had affixed his signature to the following enrolled bills, and they were signed by the President pro tempore:

H. R. 1827. An act to allow moving expenses to employees in the Railway Mail Service;

H. R. 5982. An act for the protection against unlawful use of the badge, medal, emblem, or other insignia of veterans' organizations incorporated by act of Congress, and providing penalties for the violation thereof;

H. R. 8668. An act making appropriations for the fiscal year ending June 30, 1941, for civil functions administered by the War Department, and for other purposes; and

H. R. 9958. An act 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.

HOUSE BILLS REFERRED

The following bills were severally read twice by their titles and referred to the Committee on Finance:

H. R. 6328. An act to amend the Tariff Act of 1930, as amended by section 34 (c) of the Customs Administrative Act of 1938 (U. S. C., 1934 ed., Supp. IV., title 19, sec. 1001, par. 1529 (a));

H. R. 9654. An act to extend for an additional year the provisions of the Sugar Act of 1937 and the taxes with respect to sugar; and

H. R. 9765. An act to provide for exercising the right with respect to red-cedar shingles reserved in the trade agreement concluded November 17, 1938, between the United States of America and Canada, and for other purposes.

MESSAGES FROM THE PRESIDENT—APPROVAL OF BILLS AND A JOINT RESOLUTION

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 bills and joint resolution:

On June 19, 1940:

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.

On June 20, 1940:

S. 163. An act directing the Secretary of the Interior to issue to Albert W. Gabbey a patent to certain lands in the State of Wyoming;

S. 1326. An act for the relief of Janet Hendel, nee Judith Shapiro;

S. 1328. An act for the relief of Lena Hendel, nee Lena Goldberg;

S. 2598. An act for the relief of Kurt Wessely;

S. 3196. An act to amend the act approved May 24, 1938, entitled "An act for the relief of the Comision Mixta Demarcadora de Limites Entre Colombia y Panama" and for the relief of Jose Antonio Sossa D;

S. 3245. An act for the relief of Maria Teresa Valdes Thompson;

S. 4026. An act providing for the reorganization of the Navy Department, and for other purposes; and

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.

REPORTS OF THE FINANCE COMMITTEE

Mr. WALSH, from the Committee on Finance, to which was referred the bill (H. R. 6328) to amend the Tariff Act of 1930, as amended by section 34 (c) of the Customs Administrative Act of 1938 (U. S. C., 1934 ed., Supp. IV, title 19, sec. 1001, par. 1529 (a)), reported it without amendment and submitted a report (No. 1913) thereon.

Mr. BROWN, from the Committee on Finance, to which was referred the bill (H. R. 9765) to provide for exercising the right with respect to red-cedar shingles reserved in the trade agreement concluded November 17, 1933, between the United States of America and Canada, and for other purposes, reported it without amendment and submitted a report (No. 1932) thereon.

EXPEDITION OF NAVAL SHIPBUILDING

The PRESIDENT pro tempore. Automatically, the calendar under rule VIII comes before the Senate.

Mr. WALSH. Mr. President, I move that the Senate proceed to the consideration of House bill 9822, which is a bill to expedite the national defense.

The PRESIDENT pro tempore. The bill will be read by title.

The CHIEF CLERK. A bill (H. R. 9822) to expedite naval shipbuilding, and for other purposes.

The PRESIDENT pro tempore. The question is on the motion of the Senator from Massachusetts.

Mr. KING. Mr. President—

The PRESIDENT pro tempore. The motion is not debatable.

The motion was agreed to; and the Senate proceeded to consider the bill, which had been reported from the Committee on Naval Affairs, with amendments.

Mr. WALSH. I ask unanimous consent that the formal reading of the bill be dispensed with, and that it be read for amendment, the amendments of the committee to be first considered.

The PRESIDENT pro tempore. Is there objection? The Chair hears none.

Mr. KING. Mr. President, I suggest that the chairman of the committee make an explanation of the bill, so that we may know its terms and its implications.

Mr. WALSH. Mr. President, the bill is an exceedingly important measure. It is perhaps the most important and far-sweeping bill that has been presented to the Congress at this session or any other session since the World War. The very name of the bill suggests its importance, "To expedite national defense." The bill in general either repeals or modifies or changes practically every restriction upon which the Congress through the years has legislated, for the purpose of safeguarding the Public Treasury by requiring competitive bidding upon contracts made with the Government.

Mr. TYDINGS. Mr. President, may we have order in the Chamber?

The PRESIDENT pro tempore. The Senate will be in order. An important matter is being discussed.

Mr. WALSH. Mr. President, the bill primarily modifies or repeals all those safeguards which we have set up for the purpose of protecting the Public Treasury in the expenditure of vast sums of money. It is for the purpose of expediting the building of naval vessels, and the building of the necessary aircraft for our defense, in order that with the greatest possible expedition our Navy should be enlarged, and, so far as vessels under contract are being built, this bill would provide for their completion earlier than the dates called for in the contracts.

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

Mr. WALSH. I yield.

Mr. LUNDEEN. A question occurs to me, Is it possible to protect our Navy and our Army and our air forces so that they will not be transferred to some other power? I wish to call attention to just a short sentence I uttered 2 days ago and a news report which has just come in from Europe. Two days ago I stated:

Anything that we sent to France a short time ago is Hitler's today. And when you saw the picture in the Star the other night showing thousands of 75-millimeter guns on the decks of a 30,000-ton French liner going over to England with our artillery—I take it, practically all our 75's—I have no assurance that that artillery will not be Hitler's in a very short time.

Now let me read the last news dispatch which has just been placed on my desk—this is a bulletin from the Times-Herald of Washington, D. C.:

TWENTY THOUSAND UNITED STATES MOTORS REPORTED CAPTURED

NEW YORK, June 21.—A Rome radio broadcast picked up in New York by Columbia Broadcasting System said today the official German News Agency, D. N. B., reported German forces "captured 400 planes which had just arrived from America and 20,000 motors, complete with plans for mounting." The broadcast said the D. N. B. dispatch came "from the front."

I certainly hope that is not correct. I hope it is a false report. If it is true, we are now engaged in arming Mr. Hitler. We sent these war munitions and war materials over there to France, and I opposed that policy. Our defenses belong to America and not to Europe. I cannot find it in my heart to vote the money of the taxpayers of the United States to build more ships, arms, and war material, and immediately transfer them to foreign flags; turn them over to Europe. We have had wars with several European powers. Why send any of them our arms and ammunition, ships, or air fleets? Where is there any Americanism in that?

Mr. TYDINGS. Mr. President, will the Senator from Massachusetts yield at that point?

Mr. WALSH. I yield.

Mr. TYDINGS. I merely wanted to say that I read the same story the Senator from Minnesota has read, and in two other papers the number of engines was given as 2,000. I think "20,000" is probably a misprint, but the principle for which the Senator is contending would be the same. I do not believe there are 20,000 American airplane engines abroad yet, because I do not believe there have been that many in the country, but I do think the 2,000 figure is probably accurate, and for whatever the correction is worth, I thought I might suggest it to the Senator.

Mr. LUNDEEN. I thank the able Senator for that possible correction, and let us hope the number is 2,000. But let those of us who are on the ramparts of the Nation guarding this America—our America, our country, our native land—protect our Navy and our Army and air force from being dispersed over the earth.

Our duty is not to arm any European nation against any other European nation—that is not our duty. Our duty is to America, our own people, our own economy, our unemployed, our own domestic problems. That is our duty. In a word, Mr. President, our duty is to keep America strong over here—here in the mighty Western Hemisphere.

Mr. WALSH. Mr. President, I think the Senator will be satisfied when the bill is explained in detail, together with the amendments offered, that the Committee on Naval Affairs has inserted in the bill every conceivable precaution against the limitation or reduction in size of our Navy. I cannot answer for the Army. The committee of which the Senator from Maryland [Mr. TYDINGS], the Senator from Iowa [Mr. GILLETTE], the Senator from Illinois [Mr. LUCAS], the Senator from Maine [Mr. HALE], the Senator from Pennsylvania [Mr. DAVIS], the Senator from California [Mr. JOHNSON], and the other gentlemen of the committee have spent 2 to 3 weeks, day and night, endeavoring not to restrict the extraordinary and unusual powers proposed to be granted, because we feel the necessity for them; but to put every possible safeguard into the bill and see that the taxpayers are not obliged to pay more than is absolutely necessary, and to see that there is not in the future any attempt made to lessen our defenses so far as the Navy is concerned.

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

Mr. WALSH. I yield.

Mr. VANDENBERG. I think the whole Senate and the country have very profound respect for the viewpoint of the able Senator from Massachusetts with respect to any subject touching upon naval defense. He has earned that position of authority in public opinion. Before the Senator leaves the point raised by the able Senator from Minnesota I wish to submit this question to him: It seems to me that I read in the paper a few days ago a very thrillingly vigorous denunciation by the able Senator from Massachusetts against the dissipation of our new fighting facilities through transfer to others, and since the question has arisen, even though it is not directly related to the bill, I am wondering whether the Senator would be willing to say here what I think he has said elsewhere as to his viewpoint upon this fundamental matter in respect to any hope we may have of building our nucleus into an adequate defense.

Mr. WALSH. I feel it my duty, if the Senate so desires, to answer the Senator's inquiry fully and somewhat in detail.

During the consideration of the pending and other naval bills the able Senator from California [Mr. JOHNSON] sought repeatedly to get information in reference to the disposition by the Navy and by the Army of Government-owned aircraft. We found upon inquiry that the Navy had not disposed of any of its contracted-for aircraft, except in one instance, namely, to Finland. I am speaking now of information which we had up to about a month ago. Additional information became known a few days ago.

We did learn that there had been a much larger and much more extensive canceling of deliveries of contracts for aircraft to the Army. The planes which were needed in Europe by the Allies had been more largely land planes or Army planes than Navy planes, so it did not appear in the beginning to be so much of a Navy problem.

Last Thursday afternoon the able Senator from California, in the presence of a naval officer, inquired about the rumor that destroyers in our Navy were being transferred, or that negotiations were under way for the transfer of these naval vessels. We were informed by the officer of the Navy who was present, and to whom the inquiry had been directed, that nothing had been done in the way of releasing destroyers.

Thereupon I and other members of the committee—among whom was the distinguished and able Senator from Maryland [Mr. TYDINGS], who has been a tower of strength to me in the committee in this whole matter—decided by vote to make inquiry of the President as to just what property of the Navy, surplus property or other property, had been disposed of.

There was present in the room a naval officer when this executive vote was taken. The next morning, before any letter could be transmitted or information given, I was called on the telephone by the Acting Secretary of the Navy and informed that 11 motor torpedo boats and 12 motor submarine chasers, making a total of 23 vessels, had been disposed of. It is needless to say that I was shocked. It was the first intimation that had come to me or any member of my committee about this matter. I called up the chairman of the House committee and asked if he had any information, and he said he had not heard about it.

Thereupon I called the committee together and sent for the naval officer who was in the room the day before, and also for the Acting Secretary of the Navy, and the committee catechized them at length as to what property of the Navy had been disposed of, and also what contracts for speeding up the building of naval vessels or for the building of aircraft had been modified or changed so as to release these vessels and airplanes to the Allies.

We then learned for the first time that for 3 months negotiations had been going on for the transfer or release of naval property of one kind or another—and I will speak more in detail of the property—of which no Member of the Congress had the slightest information or knowledge.

We learned that the negotiations began with the release about 3 months ago of a contract with the Du Pont Powder Co. for powder for the Navy. We inquired from the Navy

if they could afford to release that powder, and they said they could. They said they had a powder plant of their own now in operation, and that plant was producing sufficient powder for our naval uses.

The able Senator from Maryland made inquiries as to the situation of the Army with respect to powder, and I shall now pause to have him state what he understood to be the situation with regard to powder in the Army.

Mr. TYDINGS. Mr. President, I think the Senator from Massachusetts is covering the whole thing much better than I can. The Navy has a different kind of powder than the Army has. The naval powder plant is at Indianhead, Md. The Navy requires less powder than the Army does, and there is sufficient powder on hand and available and in the process of manufacture to take care of present and future needs of the Navy.

With respect to powder in the Army, the situation is not so favorable. We have had very few powder plants in operation in this country since the World War. A large powder concern wanted to close down one of its powder plants because it was losing in the neighborhood of \$300,000 a year in the manufacture of powder, but the Ordnance Department of the Army appealed to the company to keep this plant open, and the plant has been kept open, at a considerable financial loss. These figures are accurate, I may say, and are given to me by the Ordnance Department. So we have some Army powder available, but there is a shortage of powder among the Allies and in the United States. I understand the Allies are building powder plants of their own to supply that deficiency, and, under a bill brought in from the Committee on Appropriations the other day, our own powder plants will be enlarged, I think, by an appropriation of \$34,000,000.

The truth is that we will not have enough powder to equip and sustain a million soldiers for 14 months. That is the situation with respect to the Army, but the Navy is pretty well equipped with powder.

I have no hesitancy in making that statement publicly on the floor because I asked the Army authorities if our lack of powder was pretty well known to foreign countries, and I was told that they knew as much about it as we did. So I do not feel that I have done anyone an injury by showing the pitiful condition of our powder supply at this time.

Mr. WALSH. Mr. President, we inquired about what material other than powder had been disposed of, and we found that various items of surplus naval material had been disposed of. Perhaps the law operates very well in normal peacetimes, but unfortunately there is a law which permits the Navy to transfer property to the Army, and there is probably a similar law which permits the Army to transfer to the Navy property that it may use. So some property has been transferred from the Navy to the Army, and later from the Army transferred elsewhere.

The next step was to learn that there had been 50 naval planes which were really in use by the Navy sold or turned in for new planes to manufacturers, who in turn were to sell them to the Allies, under an agreement or contract with the Navy Department that other planes with the latest improvements at a later date would be delivered back to the Navy. From my inquiry I learned that there was no loss financially to the Government in that transaction, but I assume—I do not know that I should assume it, but apparently the contractor or manufacturer of airplanes sold them to some foreign government, at what price I do not know, but he is bound to return an equal number to our Government, without additional cost, or just a normal amount—

Mr. TYDINGS. Ten dollars.

Mr. WALSH. Ten dollars. The value of those planes I found out from the Navy Department to be as follows:

Aircraft transferred on exchange basis:

Forty-nine SBC-4 airplanes, complete, valued at \$2,281,163.19.

Ten R-1820-34 spare engines, \$82,558.10.

Eleven spare propellers for SBC-4 airplanes, structural spares, \$254,031.60.

A total of \$3,141,104.25.

In answer to another question as to what the initial cost of the 50 airplanes was, I received these figures:

Five at \$39,546.90.

Twenty-three at \$46,850.79.

Twenty-two at \$47,892.12.

The difference is due to the fact that the airplanes were purchased under three contracts, one considerably earlier than the others.

Mr. CLARK of Missouri. Mr. President, will the Senator yield?

Mr. WALSH. I yield.

Mr. CLARK of Missouri. While it may be true that there is no financial loss involved to the Government in this transfer, there is a considerable loss of time, is there not, involved in the matter of the planes being replaced?

Mr. WALSH. The committee inquired with respect to that, and the answer was that there would be at least 6 months' delay, extending to 9 months.

Mr. CLARK of Missouri. So if a situation were to arise in South America, or Central America, or at the Panama Canal in which we needed those planes, we would be strictly out of luck for the period within which they could not be replaced; is that not true?

Mr. WALSH. One of the reasons why I protested this matter and others was the matter of secrecy; not that it had been surreptitious, as it has been stated in the press, but because of secrecy. Second, because of the inconsistency of our asking the contractors to speed up their manufacture of planes when contracts for planes were being canceled and delays brought about accordingly. It is only fair to say that the Navy officials very strenuously insist that in the end we shall get better planes as a result of this deal, and that there will be more modern improvements. I wish to be fair about this and present their viewpoint. I think I ought to say that since this matter has become public there is a universal feeling—and I am pleased to note it, even in the Navy—that it was a mistake not to inform the committees, at least, of these transfers or changes in naval contracts.

With respect to airplanes, I ought to say that the information was given to the public, and was in the press, so it was not given at any time to our committee. I think I am correct in that statement.

Mr. TYDINGS. That is correct.

Mr. WALSH. The press had carried a story about 50 planes. So far as I know, they were the only property actually in our possession, which we were using, and for which we had pilots, which was released. Is not that correct?

Mr. TYDINGS. That is correct.

Mr. President, will the Senator yield?

Mr. WALSH. I shall be glad to yield in a moment.

With respect to the other properties which I shall discuss, there were changes in contracts, postponing the time of delivery, in order that the Allies might be helped.

Let me say that so far as I am concerned I have no objection whatever to private industries in this country, or persons of great wealth, giving their money and their goods and doing everything possible to help the Allies win the war; but my concern is, how far can our Government go in permitting war materials to go to the Allies without impairing its own defenses? I do not know of any better expression to use than one used recently in a letter to me:

Who ever heard of a defenseless country having war surpluses?

I think that expression covers the situation. If we are fully equipped, if we have plenty of material, we may then take some action, with the full approval of Congress, to help the Allies.

I now yield to the Senator from Maryland.

Mr. TYDINGS. Mr. President, I know the Senator would want this bit of information inserted in the RECORD, with the very cogent explanation he has made as to what the Navy offered as reasons why the planes should be turned in, in order that nothing may be withheld from the Congress. Without attempting to defend the Navy Department, I should like to have the Congress know that the Navy Department officials stated that when they set up schools for the more rapid train-

ing of additional aviation personnel they had no one to fly these particular planes, because the men who had flown them had been taken as instructors in the new air school, and that therefore, as the planes were not being used at all, it seemed a good time to turn them in and obtain new and improved planes, inasmuch as it is the policy of the Navy Department to keep modernizing its planes all the time.

That was the reason given to the committee. I do not say that it is a good or bad reason. I simply offer it to supplement the remarks of the Senator from Massachusetts.

Mr. WALSH. That was not the earlier reason given.

Mr. TYDINGS. That was the last reason.

Mr. WALSH. That was the reason given yesterday. It escaped my mind.

Mr. CLARK of Missouri. Mr. President, will the Senator yield?

Mr. WALSH. I yield.

Mr. CLARK of Missouri. That alibi certainly is not advanced with regard to the sale of the latest type of naval vessels, is it?

Mr. TYDINGS. I merely wanted to clear up the matter about the planes first.

Mr. CLARK of Missouri. I understand; but the Navy Department itself does not advance that alibi with regard to the very latest type of naval vessels, which have not yet even been delivered to the United States Government.

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

Mr. WALSH. I yield.

Mr. GILLETTE. While the Senator is on the subject of the 50 naval planes, let me call attention to the fact that when the committee held hearings on this particular bill some 2 weeks ago a highly placed naval officer testified, if I correctly recall, that there was no plan or intention on the part of the Navy to make a transfer of the kind which has just taken place. Day before yesterday the same officer, in response to our inquiry as to why the transfer had taken place, informed us that he had been requested by a higher authority to make a survey of property with a view to a transaction of this kind, if the property could be spared.

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

Mr. WALSH. I yield.

Mr. LUNDEEN. When the able Senator speaks of 6 months and 9 months, I assume he is speaking on the basis of information furnished the committee. I have taken the precaution to talk with some of our greatest experts in aviation. I have personally talked with Maj. Al Williams and others on the matter, and they tell me that these planes and other planes which we have transferred are the latest and best planes and bombers we have, and that they probably cannot be replaced within 18 months. That is not protecting our country. The Naval Affairs Committee is not to be blamed, but someone must take the responsibility for giving away our defenses. Someone in high position is surely to blame. The press gives the impression that Secretary of War Woodring has vigorously protested this policy. If this be true, he deserves great credit in sacrificing his position for his conviction.

Mr. WALSH. I did not get the impression that they were the latest and most modern planes. Representative MAAS of the House, who is a reserve officer in the Marine Corps, says they are the latest and most modern bombing planes we have in the Navy. The Senator is correct in the statement that 18 months are required to build a bombing plane, which is one of the most expensive and valuable types of planes. I obtained the impression—although I do not think we went into the details of just how valuable the planes were—that the Navy did not consider them the most valuable, or necessarily the most important military planes.

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

Mr. WALSH. I yield.

Mr. TYDINGS. As a matter of fact, the officers told the committee that in the course of time, war or no war, the planes would be turned in in exchange for more modern planes; and that inasmuch as they had nobody to fly them, there could be no better time to turn them in than right now. I, of course have not checked up on that statement,

Mr. WALSH. Mr. President, let us come now to the next important item about which the Senator from Michigan [Mr. VANDENBERG] inquired—the 23 naval vessels. The press has had much to say about them, emphasizing my own indignation and that of the committee of the attempt to surrender them.

On a certain afternoon last week we had before us a naval officer. We talked about destroyers, and he vehemently said that the Navy would never give up its destroyers; that we would not be equipped for war for two years, and that the Navy would not approve of such action. We complimented him, and said, "That is a fine spirit, and we are glad to know of it." He remained silent as to anything else. He was not asked any questions about anything else. But the next morning he reported to his superiors that the committee was uneasy about transfers of naval property and supplies of one kind and another, and that he thought the Department ought to report to the committee in reference to the mosquito-fleet vessels.

The next morning I received a call from the Acting Secretary of the Navy, Mr. Compton, in which he informed me that the day before the Navy had modified its contracts with the shipbuilding company at New Jersey, so that the 23 vessels, when completed—the first one being completed in about 2 months—could be delivered to the Allies, and that our Government would delay acceptance or delivery to it of the 23 vessels.

The committee sent for The Assistant Secretary of the Navy, and also the naval officer referred to, and we catechized them in reference to the whole matter. We then for the first time discovered that negotiations for transferring material had been going on for 3 months. Negotiations for the mosquito fleet had been in progress for 3 weeks, and we felt that it was only by the merest accident that we had made the inquiry the night before and had received this information. I think it is only fair to say that the officers of the Navy did not give to these vessels the importance and value given to them by some members of the committee.

There is a rather interesting history in that connection. It will be recalled that during the Ethiopian War it was discovered by the British Navy that Italy had a large number of small, fast-moving boats, which could speed over the water rapidly, fire a torpedo, and then disappear. It came to the attention of our Navy, the English Navy, and other authorities. In the bill of 1938 we provided \$15,000,000 for experiments with small vessels having a speed of 40 knots, such as motor submarine chasers and motor torpedo boats. The Navy had put out to competition among all the builders of ships in the country requests for models of vessels of this type which would be useful. As a result we have been building 16. They are of various types. They are all experimental. Some of them are constructed partly of aluminum. Some are of wood, and some of steel. These vessels are still in process of try-out, and the Navy has not decided upon any particular type to manufacture for its fleet.

It did get from the English a model of this type of vessel, which we purchased, but rather than delay the completion of the 16 various experimental types a contract was made in December last for 24, 12 of each of these vessels of the English type, with some improvements which our own naval officers were able to suggest.

These vessels are the ones, 23 of them, which were involved in this transaction, which, I am happy to say, is now ended, and, in my opinion, the contracts for their delivery to other than our own Navy will not be changed or modified. I will make further mention concerning that in a few moments.

In my opinion, their value lies in that they are harbor defense boats. The theory of their usefulness is that there will be a large number in the harbors of Boston, Philadelphia, Baltimore, San Francisco, New York, and other ports, and they will be able to detect the presence of submarines. There is a very fine instrument on submarine chasers whereby the presence of a submarine can be detected under water, and the torpedo boat will be useful in firing torpedoes and getting away quickly from an enemy raider of the commercial type or possibly even from a warship of one kind or another. It

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is this type of vessel that the press reported a few days ago was used by the Italians in sinking a French cruiser.

As I have said, the contracts required a building program of from 9 months to a year or more. The first boat under this contract was to be delivered in October; so, of course, none of them could be delivered to the Allies until then, anyway. Then they are delivered in succession, and it will take, perhaps, several months more before the 24 shall be completed.

After the matter was made public, and the committee received the above information, at the committee's request, I asked the Judge Advocate General's Office of the Navy Department to inform us as to all laws relating to the disposition of naval vessels and naval surplus supplies. I have a communication from him before me, and ask that it be inserted in the RECORD at this point.

The PRESIDING OFFICER (Mr. HATCH in the chair). Without objection, it is so ordered.

The letter referred to is as follows:

NAVY DEPARTMENT,
OFFICE OF THE SECRETARY,
Washington, June 14, 1940.

MY DEAR MR. CHAIRMAN: In compliance with your request, and that of the Committee on Naval Affairs, for information as to the laws governing the sale of naval vessels and naval materials, the following brief digest of the applicable statutes is submitted below, viz:

NAVAL VESSELS

The act of August 5, 1882 (title 34, U. S. C., sec. 491), directs the Secretary of the Navy to have periodical examination made of all naval vessels by boards of naval officers, which boards shall make written report to the Secretary of the Navy as to which of said vessels are unfit for further service, stating the grounds and reasons for their opinion. If the Secretary of the Navy concurs in the opinion with said report, he is required to strike the name or names of such vessels from the Navy Register and report the same to the Congress.

The act of March 3, 1883 (title 34, U. S. C., sec. 492), authorizes the sale of vessels stricken from the Navy Register under section 491, supra, after appraisal, provided the Secretary of the Navy deems it for the best interests of the United States to sell them. After appraisal the vessels are required to be advertised for sealed proposals for a period not less than 3 months with specified requirements as to guarantee, etc. The act provides for the sale of the vessels to the person offering the highest price therefor above the appraised value, but permits a departure from the manner of the sale, and for less than the appraised value, on written authority of the President.

The act of August 29, 1916 (title 34, U. S. C., sec. 493), authorizes the sale of any or all auxiliary ships of the Navy classified as colliers, transports, tenders, supply ships, special types, and hospital ships 18 years and over in age, that the Secretary deems unsuited to present needs of the Navy at a price not less than 50 percent of their original cost.

NAVAL MATERIAL

The act of August 5, 1882, as amended by the act of June 15, 1938 (title 34, U. S. C., sec. 544, Sup. V.), provides that no old material of the Navy shall, after August 5, 1882, be sold or exchanged if it can be profitably used in the construction or repair of vessels, their machinery, armor, armament, or equipment. When such old material cannot be profitably used it must be appraised and sold at public auction after public notice and advertisement shall have been given according to law under such requirements and regulations, and in such manner as the Secretary of the Navy may direct.

This act authorizes the sale of surplus scrap metals of the Navy to schools and colleges for vocational training at the prices established for issue to naval activities.

The act of June 30, 1890 (title 34, U. S. C., sec. 543), authorizes the sale of condemned naval supplies, stores, and materials by public auction or by advertisement for sealed proposals for the purchase thereof.

The act of July 9, 1918 (title 40, U. S. C., sec. 314), authorizes the President to sell by the head of any executive department war supplies acquired during the World War, including the sale to any foreign state or government engaged in war against any government with which the United States is at war. The sales of guns and ammunition under the authority of this section is limited to other departments of the Government and to foreign states or governments engaged in war against any government with which the United States is at war and to members of the National Rifle Association and other recognized associations organized in the United States for the encouragement of small-arms target practice.

House Joint Resolution 367, recently approved by both Houses of the Congress, authorized the construction of war vessels for South American republics in the United States navy yards, and the manufacture and sale of armament, equipment, and antiaircraft, artillery, and ammunition to such governments.

MOTOR TORPEDO BOATS

With reference to the question of motor torpedo boats, it is the opinion of the Navy Department that a motor torpedo boat is a

naval vessel within the purview of the laws applicable to the sale of naval vessels.

However, it is desired to invite attention to the fact that in the case of motor torpedo boat, No. 9, which has not yet been delivered, no payment thereon has been made to date, and no payment will be made until delivered to the Government. This motor torpedo boat will not become a naval vessel, of course, until such delivery.

In the case of other motor torpedo boats under contract, no delivery has been made to this Government, and under a change in the contract it is proposed to approve the deferred delivery of certain of these motor torpedo boats.

With reference to the question of the return of war supplies such as airplanes, vehicles, engines, etc., to the contractors as part payment for new material of the same character, this authority is found in title 10, United States Code, and in supplement 5, United States Code, title 10, relating to the Army, as follows:

"PAR. 1272. Motor vehicles, aircraft, etc.: Motor-propelled vehicles, airplanes, engines, and parts thereof may be exchanged in part payment for new equipment of the same or similar character to be used for the same purpose as those proposed to be exchanged (May 12, 1917, c. 12, 40 Stat. 43)."

"PAR. 1271a. Same: Machines and tools pertaining to construction, etc., of ordnance to matériel: The Secretary of War is hereby authorized to exchange obsolete, unsuitable, and unserviceable machines and tools, and parts thereof, pertaining to the manufacture or repair of ordnance matériel for use in the national defense, for new machines and tools of the same or equivalent general character (May 11, 1939, c. 122, 53 Stat. 739)."

The supplies between the Army and the Navy may be interchanged under the authority of paragraph 1274, title 10, United States Code, as follows:

"PAR. 1274. Interchange of supplies between Army and Navy: The interchange without compensation therefor, of military stores, supplies, and equipment of every character, including real estate owned by the Government, is hereby authorized between the Army and the Navy upon the request of the head of one service and with the approval of the head of the other service (July 11, 1919, c. 9, 41 Stat. 132)."

Sincerely yours,

LEWIS COMPTON.

The CHAIRMAN, COMMITTEE ON NAVAL AFFAIRS,
United States Senate.

Mr. WALSH. I cannot take credit for it to myself, but a Member of the House of Representatives [Mr. CASE of South Dakota] cited the day following a law which makes illegal the act of sending naval vessels out of the country while we are a neutral and subjects to severe penalty anyone who would be a party to such an act. That law, I think, ought to be read now. It was passed on June 15, 1917, and is as follows:

SEC. 3. During a war in which the United States is a neutral nation, it shall be unlawful to send out of the jurisdiction of the United States any vessel built, armed, or equipped as a vessel of war or converted from a private vessel into a vessel of war with any intent or under any agreement or contract, written or oral, that such vessel shall be delivered to a belligerent nation, or to an agent, officer, or citizen of such nation, or with reasonable cause to believe that the said vessel shall or will be employed in the service of any such belligerent nation after its departure from the jurisdiction of the United States.

SEC. 6. Whoever in violation of any of the provisions of this title shall take or attempt or conspire to take or authorize the taking of any such vessel out of port or from the jurisdiction of the United States shall be fined not more than \$10,000 or imprisoned for not more than 5 years or both, and, in addition, such vessel, her tackle, apparel, furniture, equipment, and her cargo shall be forfeited to the United States.

Upon obtaining information as to this law I asked the Judge Advocate General's Office if there had been any modification or change or repeal of this law, and he informed me there had not been and that it is in effect at the present time.

I think it is only fair to say that those who were proceeding to modify this contract for the purpose of transferring certain ships did not know of this law, and if they did, of course, they are subject to a penalty; but I am told that the Attorney General has given no opinion to the Government upon this matter.

Mr. VANDENBERG. They are subject to a penalty whether they knew about the law or not, are they not?

Mr. WALSH. Ignorance of the law excuses no man. But I think it is important to know that the discovery of this law, in my opinion, will dispose of the whole matter, and there will be no attempt made to cancel the Government's contract for these vessels.

That embraces the story in reference to the disposition of naval property. I know nothing about what has been done by the Army.

I think I should call attention to a matter to which I dislike to refer, but I am impelled to do so because of what I feel is a growing tendency that ought to be stopped; and I, as a member of the majority party, want to help to stop it rather than have the opposition party blame us or lay the charge of indifference against us. When I asked for that information in a letter there came a return letter which I should like to put in the RECORD but cannot for a reason I will state later. However, I received from the Navy Department all the information I requested. I have not given it all to the Senate. I have given that which appeared in the evidence before my committee. The return letter was marked "Confidential," which I interpret to mean that I should not disclose it, and that the Congress, and the people of America should not have this knowledge. I was shocked on another occasion in our committee by an officer of the Navy, a very intelligent and well-meaning officer—I do not make any personal charge against him—who, when I said "We want an amendment to this bill that will require reports to be made to Congress on this matter," replied to me, "My reaction to that is that it is interfering with the Executive authority." I say to you, gentlemen, no truer or more profound words of warning were ever uttered on this floor than those of the Senator from Arizona a few days ago against bureaucracy. There is something instinctive in men who get into these bureau positions, none of them answerable to the electorate, which causes them to think they are not responsible to the Congress. I believe the naval officers who have proceeded to act in the manner which has been described here really felt they had no obligation to the Congress, or the people of the United States; that the Congress exists only to put its hands into the pockets of the American people, and turn the money over to departments or bureaus, and we are to ask no questions. I think the Navy and Army have, perhaps, been less chargeable with such an attitude than some other departments of the Government; I have the highest respect for the Navy and Navy officers; but I tell you, gentlemen, I have been greatly disturbed to learn that officials of our Government entertained the feeling that we are interfering with their prerogatives; that Congress ought not to ask questions; that it is possibly impertinent for us to make inquiries—perhaps I should not say that, but I think they are surprised that any committee of Congress should do so. Their attitude seems to be "Give us the money and let us go ahead." That has made our problem in connection with this bill very much harder, because in the measure we are letting down the bars completely, though we have tried, as best we could, to provide some safeguards which will appear later, such as the condition that reports shall be made to Congress of the transactions which may take place. I do not mean to apply this statement particularly to the Navy, but I do want to protest the growing sentiment in some of the departments that Congress exists merely to provide money for various bureaus, but not to check up on them, to follow up their transactions, or to seek to challenge their expenditures or methods. They are unmindful that they are agents of the Congress; that their powers are defined by the Congress; and that Congress can strip them of their powers at any time.

Mr. CLARK of Missouri. Mr. President—

Mr. WALSH. I yield to the Senator from Missouri.

Mr. CLARK of Missouri. I do not desire to pry into matters that took place in executive session of the Naval Affairs Committee, but I should like to ask the Senator from Massachusetts, if he is at liberty to answer the question, to tell us whether he has been able to ascertain to what extent the officers of the Navy are responsible for the sale of ships and the determination of the naval policy, and to what extent they have been ordered to do so by higher authority and have simply obeyed in their capacity as officers of the Navy subject to the orders of the Commander in Chief. I should like also to ask the Senator, if he is at liberty to answer the question, whether the naval officers and naval officials who appeared before the Naval Affairs Committee stated that this was on their own initiative or on orders of the Commander in Chief.

Mr. WALSH. I will answer the question, because I feel that every Member of this body has a right to know what I know, and a right to know what the other members of the committee know, even in executive session. Had not the matter involved in the questions and the suggestions of the Senator from Michigan and the Senator from Missouri been disclosed, I would have moved an executive session so that this matter could have been discussed, but because of the fact that it has been all opened up in the press and distorted in various ways, I felt that that was not necessary.

Now I will answer the Senator from Missouri. I asked the Acting Secretary of the Navy on what authority he had taken the action he did in reference to these vessels. By the way, one naval officer questioned the use of the word "vessels." He said these were boats, not vessels. So we have boats going around with devices to detect submarines, and we have boats that are not vessels going around, equipped to discharge torpedoes.

I called this naval officers' attention to the fact that in my report to the Congress on the bill to build vessels, the Navy had enumerated among the naval vessels that were being built the very vessels to which I referred. I forgot to add that when these 23 vessels leave the country, if they do, there will not be another modern vessel of that type here in case we are engaged in war. We have not built any vessels of that type in 20 years. We would be stripped of every single vessel for doing that particular defense work, whatever its value may be.

I now come back to the Senator's question.

I asked the Acting Secretary of the Navy, "On what law did you rely to do this?" He very properly answered, on the general law that we had given them, under which the Navy Department and the War Department and practically every other department have a right to modify or change contracts. Now, Senators, see how careful we shall have to be in our legislation. They have a right to modify or change their contracts. So, all these transactions have been based, not on any legal authority—for they have none—to dispose of any property except surplus, but upon the fact that they have authority to modify or change contracts. Who in God's name, in Congress or in the country, thought, when such a power was given, that these contracts for our own protection would be modified or changed in order to assist one side or the other, or all sides, of belligerents at war?

The Acting Secretary of the Navy said that was the reason and the law. Then I asked, "Did you consult with anybody, or did anybody request you or urge you to cancel these contracts?" He said, "No." Then I said, "You yourself are taking full responsibility for this act?" "Yes, sir," he said. I said, "And you say on your own responsibility that this was done without consulting the Commander in Chief or anybody else except the Secretary of the Treasury, who is the negotiator with the representatives of the Allies in the disposition of the surplus and other property?" He said, "Yes." I must say that he took full and complete responsibility for the whole matter.

Mr. CLARK of Missouri. Mr. President, I asked the Senator the question because of the fact that a few days after this testimony of the Acting Secretary of the Navy before the Naval Affairs Committee, the secretary to the President gave out a statement in which he said that the President of the United States himself had been fully and directly responsible for this transfer, and that he had made it on the recommendation of the Navy Department and the Treasury Department. I do not know what the Treasury Department has to do with ordering the Navy Department and the War Department around, but that was the statement given out from the White House. In view of the statement of the Senator from Massachusetts, it seems to me that either the Acting Secretary of the Navy or the secretary to the President has been somewhat less than frank with the Naval Affairs Committee of the Senate and with the people of the United States on an extremely important matter.

I asked the Senator this question because it was in evidence before the Military Affairs Committee when I was a

member of that committee something over a year ago that the Secretary of the Treasury had gone over the head of the War Department, and, over the protest of the Chief of Staff and the Secretary of War, had arranged for the sale of certain airplanes.

It seems to me that when we go to blaming the War Department, the General Staff of the Army, and the General Staff of the Navy for things they have done, we ought to be very certain that we are blaming them for something for which they are responsible, because, of course, we always have to remember that when the representatives of the General Staff of the Army or the General Staff of the Navy come before a committee of Congress and say, "The opinion of the General Staff is this," or "The opinion of the General Staff is that," the opinion of the General Staff is the opinion that the General Staff is told to have by the Commander in Chief of the Army, if he chooses to tell them what opinion to hold.

Mr. LA FOLLETTE. Mr. President—

Mr. WALSH. I yield to the Senator from Wisconsin.

Mr. LA FOLLETTE. I am a little confused by a statement the Senator from Massachusetts made a little while ago. I understood him to say that, in his opinion, the Senate and the country were entitled to information with regard to the disposition which is being made by the Navy Department of instrumentalities of defense. I also understood him to say that the Department took the position that this was confidential information, and that in reply to his letter of inquiry he had received a letter marked "Confidential."

I now ask the Senator whether or not he has given the Senate all the information in his possession with regard to the details of the disposition of these implements of war by the Navy Department, and, if not, to give the Senate what reasons he may have as to why the representatives of the people and the people themselves are not entitled to a full disclosure of what is happening to their instrumentalities of national defense.

Mr. WALSH. I have presented to the Senate all the information that was divulged at the committee hearings. I have not given all the information in the letter to which I referred because I did not receive it until yesterday, and I felt that before making it public I ought to write to the Secretary of the Navy, which I intend to do, and ask him why he requested that the information be kept confidential, and what is the objection, if any, to my making it public to the Senate.

I will add that I have discussed the major things that are in the letter, because they were presented to the committee. There are other items, not of the category of the airplanes or the ships to which I referred. I do not know whether or not the Senator approves of that course; but certainly I cannot use here a letter marked "Confidential."

Mr. LA FOLLETTE. I do not for a moment ask that the Senator shall violate any confidence; but I do wish to enter my vigorous protest if there is anybody in the Government who believes that the representatives of the people and the people themselves are not entitled, as a matter of public information, at this critical time in the Nation's history, to know what disposition is being made of the instrumentalities of national defense, whether by the Army, or by the Navy, or by whatever Department or agency may have control over the instrumentalities of national defense.

It seems to me that this is a fundamental issue, an important issue; that there may be separation of powers, but certainly that separation of powers does not go to the extent of denying the legislative branch of the Government full information upon these matters, especially when we are voting additional billions of dollars to build up our national defense, and are engaged in the process of enacting tax legislation to lay that burden upon the people of the country.

Mr. WALSH. I desire to say that when our committee called before it the Acting Secretary of the Navy, he very frankly and fully answered every question asked him by the committee; but the whole thing prompted the committee to ask and have in writing from the Navy Department itself a

list of everything that had been done in this field since January 1. I shall put in the Record my letter making these inquiries, and I thought I would request the Secretary of the Navy to release the confidential character of his reply to me.

Mr. ELLENDER. Mr. President—

Mr. WALSH. I yield to the Senator from Louisiana.

Mr. ELLENDER. In connection with this discussion, it might be well to point out that the committee questioned the officers who appeared before us with particular reference to the sale and disposition of larger vessels—that is, submarines, subchasers, and the like—and that one of the officers distinctly stated that it was against the policy of the Navy Department to dispose of any vessel or equipment that would require in excess of 6 months to build. He made it plain to us that the Navy did not contemplate the disposition of any naval vessel now in use or that was necessary for our defense. He stated that one of the reasons that prompted the negotiation for the transfer of these small boats was because they were in the experimental stage. They are very small boats, ranging from 42 to 72 feet in length, and can be built within 6 months; and he pointed out that another reason that prompted him to agree to the disposition of 20 of these small boats was that the Department had no immediate use for them, and they could be replaced within 6 months. He also stated that the concern which built these boats in New Jersey erected a factory for the purpose of building these 22 or 24 boats, with a view of demonstrating whether or not the boats could be built on a mass-production basis.

He pointed out that after the factory was in full operation the manufacturer could build these boats and turn them out very rapidly. I repeat, it was brought out by an official of the Navy Department who appeared before us that under no conditions would the Navy agree to dispose of any vessels of any kind which would require beyond 6 months to build or replace.

Mr. HOLT. Mr. President, will the Senator from Massachusetts yield?

Mr. WALSH. Let me answer the Senator from Louisiana. I hope the Senator does not mean to insinuate that I have refrained from making a frank statement.

Mr. ELLENDER. Not at all.

Mr. WALSH. The Senator was merely amplifying my statement?

Mr. ELLENDER. I was amplifying it, with a view of bringing out facts which were probably overlooked by the able Senator from Massachusetts.

Mr. WALSH. The Senator is correct in part.

Mr. ELLENDER. I wish the Senator would correct any misstatement made by me.

Mr. TYDINGS, Mr. HOLT, and Mr. LA FOLLETTE addressed the Chair.

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

Mr. WALSH. I yield to myself. I wish I had the report of the testimony here; I have it in my office and I intended to read it. The Navy Department called the vessels "boats", first of all. They did not give the emphasis to value which I myself had, and which other members of the committee had. They did say what the Senator from Louisiana did not say—that one of the values of the sale was that it would lead to a better mass production after the 24 were built.

I wish to say, in conclusion of this matter, that I have given the Navy credit for having more sense and more patriotism than to spend \$6,000,000 for 24 ships which are not of value and importance to the Navy.

Mr. ELLENDER. If the Senator will permit me—

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

Mr. WALSH. I yield to the Senator from Maryland.

Mr. TYDINGS. Mr. President, I do not think it would be fair to the chairman of the committee, now that the point has been raised, to have anyone suppose that there has been anyone on the Committee on Naval Affairs, much less the chairman, who has failed to be alive to the present situation. I am sure that I voice the sentiment of every member of the

committee when I say that the chairman of the committee, the senior Senator from Massachusetts [Mr. WALSH], has been extremely diligent in seeing that the law was not evaded. On his own initiative he has explored every avenue of suspicion and of reasonable rumor to see that there was no truth in false reports, and through correspondence and instructions to witnesses and what not he has done everything in his power to see that the ships of the Navy, which we have built for defense, were not turned over to anybody so as to weaken our own forces. Indeed, he has gone far out of his way to accomplish that purpose. I think I speak for the entire committee in making this statement. During the whole progress of the naval program he has been an admirable chairman from the standpoint of defense of the public welfare and deserves the commendation of the people of the United States.

Mr. HALE. Mr. President, if the Senator will yield, I should like to say, in regard to the statement made by the Senator from Maryland, that I quite agree that the Senator from Massachusetts [Mr. WALSH] has done splendid work for the Navy, and I have a great deal of confidence in him. My recollection, however, as to what the Navy Department officials said about giving up ships of the Navy is that they stated that not with their consent would any ships be given up if it would take more than 6 months to replace them—6 months, not a year and a half.

Mr. LA FOLLETTE. Mr. President, I was about to remark, if the Senator will pardon me, that the statement of the Senator from Louisiana, namely, that the Navy would give away anything that could be replaced within 2 years' time, would be small comfort and no protection to the United States.

Mr. ELLENDER. Mr. President, I desire to say that I did not have any intention at all of criticizing the able Senator from Massachusetts [Mr. WALSH], and I cannot imagine what I said that could lead anyone to such a conclusion. I have high regard for the able Senator.

Mr. WALSH. I did not so interpret the Senator's statement.

Mr. ELLENDER. My only object was to bring out some of the facts as I understood them.

Another point was brought out by one of the naval officers who appeared before us as one which prompted him to agree to this transfer was the fact that these boats were equipped with 18-inch torpedo tubes, and that the Government desired in the future to equip all such boats with 21-inch tubes, so that they could get this additional equipment and better boats without any further outlay. I am amazed that such an incident could cause such unfavorable discussion. These small boats are in the experimental stage, are not needed at present, and can be replaced in a very short period of time. They are now in the process of construction, and the first one will not be completed until October 1940.

Mr. HOLT. Mr. President, will the Senator from Massachusetts yield?

Mr. WALSH. I yield.

Mr. HOLT. I merely want to make a brief observation along the same line. This morning I heard on the radio that a great squadron of war planes of the United States Army had left for Canada. I called up the press section of the Army, and all I asked was, "When were those planes delivered to the United States Government?" That was the only question I asked. I have a stenographic copy, I may say, of the entire conversation, both ways. I asked them when they were delivered, and they said they could not give me that information; that they were prohibited by order from so doing. I went as high as I could in the Office of the Secretary of War, and they all said that the information could not be given. One of the colonels asked me, "What do you want to use it for?" when I asked him when the planes were delivered to the United States Government. Of course, there was no answer to that.

The question is, Why should a Member of the United States Senate be prohibited from knowing whether these planes are

obsolete or not? All I asked was, "When were these planes sold and delivered to the United States Government?" I was told on the highest authority of the War Department that that information was kept secret on orders. The question is, By whose orders has it been kept secret from the people?

Mr. WALSH. Mr. President, in connection with the statements of the Senator from Louisiana and others, I should like to read a letter on this subject I received some days ago, which is not marked "confidential." The committee received it after the Secretary appeared before the committee and when I asked for certain information. The letter states:

In compliance with your request, I am submitting the following information concerning motor torpedo boats and motor submarine chasers under construction at the Elso Works, Bayonne, N. J., with contract dates of delivery of same:

(a) Eleven motor torpedo boats, \$225,000 each; 12 motor submarine chasers, \$212,000 each.

(b) Original contracts called for delivery of the motor submarine chasers first, the first boat to be delivered within 216 days and all 12 boats to be delivered within 300 days after the date of contract, which was December 13, 1939.

That would be 10 months.

The contract for the motor torpedo boats was signed the same date and deliveries were specified to begin within 300 days after date of contract and to be completed within 290 days.

That is over a year for those vessels.

As a result of some delay in obtaining the experimental Government-furnished sound equipment for the motor subchasers, the Department is now negotiating for a modification in the delivery of these boats which will result in the delivery of the motor torpedo boats before the motor submarine chasers. At present it is expected that the first of the motor torpedo boats will be delivered to the Government about August 1, 1940, and that deliveries will follow at the rate of one boat per week.

Sincerely yours,

LEWIS COMPTON.

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

Mr. WALSH. I yield.

Mr. SCHWARTZ. I could not hear very well what the Senator was saying. Did I understand him to say that none of these boats had been transferred to the Government?

Mr. WALSH. None have actually been transferred to the Government. They are all under contract, and under a law which exists the Government has the right to modify or change the contracts up to the date of delivery.

Mr. SCHWARTZ. And under a parity of reasoning, they would have a right to reject them?

Mr. WALSH. Yes.

Mr. CONNALLY. Mr. President, will the Senator yield to me to make an observation for a moment?

Mr. WALSH. I am glad to yield.

Mr. CONNALLY. I have been listening to the discussion, and I wish to express my entire confidence in and admiration for the distinguished Senator from Massachusetts, chairman of the Committee on Naval Affairs.

As to all this talk about telling the people, that we have to tell the people about everything, so far as I am concerned I am willing to trust the Committee on Naval Affairs as to any secret or executive hearings they may have, if they are satisfied. Someone on the committee will certainly find it out if there is anything wrong or crooked. I would not require that every detail as to naval administration be brought up in the Senate Chamber and chased all around over the Chamber every few minutes. I am perfectly willing to trust the Committee on Military Affairs as to the details of secret understandings of the War Department, and so long as they are attending to their job, someone will find out if there is anything crooked.

I think we are doing too much talking about our state of unpreparedness. Someone on this floor rises every day and proclaims to Mr. Hitler, Mr. Mussolini, and everyone else who wants to hear that we are unprepared, that we have no Navy, that we have no Army, that no one wants to fight, and that we will not do anything about it. I think that is absolutely hurtful to our self-defense.

Of course, our Army is not on a war basis, but it is a larger Army than we have ever had in peacetimes during the his-

tory of this republic. I believe that our Navy today is as good as any navy that floats on the sea, and we are adding to it. So far as I am concerned, I am for the Senator's two-ocean Navy bill, I am in favor of lifting the Army to 400,000 or 500,000 men, and I am in favor of calling out the National Guard for training purposes right now, if the Army authorities think they need them.

I wish to declaim against this constant yelping in the Senate, in the press, and in the House, that we are not prepared and cannot get prepared. America can be prepared, and when she is prepared no enemy on earth can land on these shores or can successfully attack the United States of America.

I want the country to know that we are arming, and we are doing it as rapidly as we can. There is no magic by which we can create a Navy by pushing a button. There is no magic by which we can create an Army by pushing a button. I want the people of the United States to know that this Navy will cost us money, it will cost us sweat, and it will cost us discomfort, and that we are going to put on them the necessary burdens to do what we want done.

I thank the Senator from Massachusetts for permitting me to interrupt him.

Mr. WALSH. I thank the Senator from Texas for his observations. I think it might have been necessary to stimulate our people to greater efforts by talking about the inadequacy of our forces and the limitation of our defense, if the time for sacrifice had come. But I agree with the Senator from Texas that we should not emphasize that inadequacy to the extent of giving comfort or courage to potential enemies, so they may believe that now is the time to strike because of our weakness. I do think it was helpful in the early stages of our program, to have the country realize the need of prompt, diligent, speedy building up of our national defenses.

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

Mr. WALSH. I yield to the Senator from Michigan.

Mr. VANDENBERG. I wish to thank the able Senator from Massachusetts for the patience with which he has responded to the many questions which my original inquiry seems to have inspired. I do not want to keep the Senator away from a discussion of his bill too long, but now I should like to ask him one more question in his capacity as one of my most favorite experts. I want to know if we sent planes and munitions to Britain and France in our own ships, and under convoy—which I assume means convoyed by our Navy—whether the Senator thinks that would be an act of war.

Mr. WALSH. In my humble opinion it would be an act of war.

Mr. VANDENBERG. I should think there could be no other conclusion. The Senator, I assume, would not favor that sort of a suggestion at the present time.

Mr. WALSH. I certainly would not. I can conceive of nothing more dangerous or destructive to my country or its people than to undertake now a course of action such as indicated in the question, and which, in my opinion, would eventually lead to war. I can conceive of nothing more ruinous or destructive to our country than that.

I think I ought to say in this connection that it has been a source of strength to me and to the country to know of the attitude of the Congress; that the Members of Congress have not been swayed or moved by the few extremists who indirectly have been urging war.

Professor Elliott, speaking at the Harvard University commencement yesterday, said in effect:

So far as I am concerned that part of the slogan, which says "short of war" I would eliminate, and give everything to the Allies. He would strike out "short of war."

I think I ought to say also that in my conversation with the officers of the Navy and with the Chief Executive, there have been constant declarations of this program being for our defense, and not for war purposes.

Mr. VANDENBERG. I will add this to what the Senator has said. The thing which he condemns as an act of war, and which I think would have to be condemned as an act of war, is the third suggestion offered by Mr. Henry L. Stimson as his immediate program 2 days before he was appointed Secretary of War.

Mr. WALSH. Mr. President, this matter is uncomfortable. I did not seek these disclosures that have been made here, and I want to say again that I made up my mind that if such a question were to be asked me, before this matter was in the press, for I knew it last Friday, and my committee knew it Friday—of course it is impossible to keep things from the press—I would move an executive session and then let the Senate decide how much it wanted to give to the public. So I wish to relieve myself from the introduction of this discussion.

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

Mr. WALSH. I yield.

Mr. WILEY. I wish to express my personal appreciation for the light which the distinguished Senator from Massachusetts has been giving to his associates and also to the country.

However, I wish to say further in response to the suggestions of the distinguished Senator from Texas [Mr. CONNALLY] that it seems to me that the greatest danger we are facing now is a return to smugness and complacency in our own country. The reason I say that is because the colleague of the distinguished Senator from Massachusetts, speaking on the floor of the Senate yesterday, said that America was not getting the 400,000 soldiers sought to be obtained.

As to the question of unpreparedness, I think it was stated earlier today that all the foreign nations know our condition, so whatever is said about unpreparedness on the floor of the Senate does not give any help or aid or comfort to them. They have those facts.

What I should like to see is that the United States would become so prepared—and to that end every instrumentality we have must be kept here—that no country on earth or combination of countries would dare to tackle us.

There is only one argument in the world today—it is too bad to have to say this, but Hitler's revolution has demonstrated it—there is only one argument in the world today, and that is the argument of force. We must meet force with force, or, as the saying goes, fight fire with fire.

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

Mr. WALSH. I am pleased to yield.

Mr. PEPPER. My friend could have included me, had he cared to do so—and I would have given him my approval in advance had he done so—among those who thought that the best defense of America involved some affirmative action. But I have some misgivings as to the wisdom of those in this Chamber who have indicated their sentiments today that the best and the safest and the surest way to defend America was to draw some imaginary line around this particular country, and say that we will build it so strong that nobody else can cross it, because if I have seen anything at all in the last year in Europe, I have seen that people who have adopted that policy are paying a terrible price for it. I saw the French build the best system of defenses that the world has ever seen, at an expense of \$500,000,000, and settle down into a defensive psychology behind what they thought was an impregnable wall of forts and fortresses, and today, 5 weeks after an attack was made upon that supposedly impregnable system of defenses, the French Republic lies prostrate in process of being ravaged by the dictator who is anathema in the eyes of every Christian and true Democrat.

So when the French people forsook the policy of action as the policy of defense, they established a principle for which they paid with their own blood and their own sovereignty.

Mr. President, there are those in Congress who have hung to some outworn tradition of defense, and who have said that we cannot help the British to stay alive and be our first line of defense, because if we do we will violate some technical principle of defense, or we cannot help France from being destroyed as a part of our defense because we will violate some traditional concept of defense of America; we cannot

help Belgium or Holland to resist this dictator who is trying to conquer the world for his own purposes because we will be going outside the scope of our legitimate defense.

All we can do in the opinion of those who would practice that sort of defense, is to sit down here on our own doorstep and wait until we see him coming around the corner of the road, and when he passes the curb and approaches the front door, then they will wonder where they left the shotgun, and if they have any shells, and if there is anything they can do about arousing their neighbors to the fact that they are about to lose their homes and their liberties and perhaps their blood.

So, Mr. President, I am glad that these debates are taken down and to be preserved, that history may look at them and observe the shortsightedness of the people's representatives about the people's defense.

There is no one in the Senate that I know of who wants to take this country to war. I just talked in the cloakroom a few minutes ago to an American boy who lives in Asheville, N. C. He lost one leg in the World War. What was he here for? He was here to try to arouse the Congress to a consciousness of danger. He told about the military tradition there was in his family and how in the Argonne he lost a leg in the war in 1918. He was not here clamoring against action. He was here saying, "I gave a member of my body for a cause that I deemed honorable in 1918."

If we sit down here supine, as some would have us do, we shall lose our own liberty. We cannot even do anything in South America. This country and that country will be taken over by Nazi spies and Nazi columns. We will sit here and say, "No, we cannot do anything because we cannot see them upon the horizon from our shores, and if we look beyond the Rio Grande, they are not there, and they are not upon the borders of Canada." And the isolationist says, "Defend America at the place where America is least capable of defense."

So, Mr. President, I advocate an affirmative form of defense, and I say that if we have even half good judgment, if we exercise even half good sense, now that all the rest of the world has collapsed, we will quit this mealy-mouthed quibbling over an outworn military tradition that the only way to defend yourself is to wait until the other fellow hits you, and then perhaps it is too late, and we will try to preserve the real first lines of American defense in ways that we can properly do. If we do it under a false psychology or philosophy of defense, we shall pay a terrible price for it, as have others who have followed such a philosophy.

Mr. WALSH. Mr. President, I think we all appreciate the point of view of the Senator from Florida, which is shared by some others in the country. As I understand the position of the Senator from Florida, it is that the attitude, policies, and military program of the totalitarian states are such that we ought now to anticipate that they are coming to us, and that before there is an overt act on this continent on their part we ought to send supplies—even naval and military supplies, and everything short of men—to the Allies.

Mr. PEPPER. That is correct.

Mr. WALSH. That is a position which the Senator has a right to maintain. Others in America maintain the same position.

I should like to state my position. I have not stated it in the Senate heretofore. My position is:

First, peace for America, preservation of the lives, property, resources, and institutions of America, with no overt act by our country which will invite any nation engaged in the European war to disturb that peace.

I do not anticipate that every man who has a quarrel with another is my enemy. Nations may have quarrels with other nations without quarreling with us. But if they are belligerent, if they are ruthless, if they are unreasonable, we should prepare to meet them when they come at us. But I do not believe we should invite attack, or give provocation for attack.

Second, we should build up our national defenses speedily and thoroughly, so that if any potential enemy, any military totalitarian force in Europe, seeks to attack us, we shall be

ready to meet it, combat it, and destroy it before such an enemy sets foot on this land.

Third, all the private interests in this country, all the manufacturing, business, and financial interests, may do what they please and go as far as they wish in giving aid to the Allies; but because I fear that the giving of military aid by the United States Government would be moving in the direction of war, because I fear that it would be an overt act, and an invitation to hatred which would be planted in the souls of the children of the totalitarian states for generations to come, I want my Government itself, its own property, its own finances, its own Navy and Army, to be kept clear of the European war. If that be unfair to my country, if that be treason, then I must take the consequences of it.

I repeat, the Senator has a right to his opinion. It is an opinion which is entitled to be presented and considered. However, some of us are emphatic in the belief that we must exercise caution in our governmental attitude, and in using the authority of our Government. We believe that there is a dividing line which means the difference between peace and war. I say it is too risky, too dangerous, to try to determine how far we can go in tapping the resources of our own Government and furnishing naval vessels, airplanes, powder, and bombs. It is trampling on dangerous ground. It is moving toward the edge of a precipice—a precipice of stupendous and horrifying depths. I do not want any American boy to feel that by an official act of mine I have given one iota of encouragement to the haters of democracy, the unreasonable and relentless forces unloosed in Europe, to come upon us and engage us in war.

I believe that it is possible to live in some degree of peace, even with a tyrant, or with a nation whose policies are unsound and undemocratic. We have done so for 150 years. There have been Hitlers before. In his day Napoleon's name was a stench in the nostrils of all decent people in the world. The story is told that mothers, to frighten their children mentioned the name of Napoleon, instead of ghosts. The same spirit is true today. It may be possible for even a Hitler or a Mussolini to be restrained from declaring war upon us by our unlimited resources for defense, and the passionate devotion of our people to liberty and freedom. I do not want to give Hitler or Mussolini any ground for saying, after the war is over, "France and England, you were honorable. You bared your breasts to our bayonets. You smelled the smoke of battle. You were honorable foes. But other countries, which said they were neutral and which passed neutrality laws, threw cannon balls over the neutrality fence at us. We have little respect for them."

If we are going to attempt to crush the philosophy of the totalitarian states which we hate—in order to be consistent—why not undertake also the extinction of the communistic philosophy of the Soviet Republic? Russia has already taken over part of Poland and Finland and is now threatening Lithuania.

Why not undertake the extinction of the Japanese philosophy which is based upon a determination to dominate the whole of the Orient and which now has China bleeding and prostrate?

Ah, gentlemen, if you are preparing to undertake the policing of the world in the name of justice, you are committing your country and future generations to a policy of waging endless war throughout the world.

The governments whose philosophies we detest may turn upon us but let us not invite or provoke it. Let us rather arm to the teeth to protect ourselves and our liberties.

Mr. President, if we want war, let us make an open declaration of war. Let us refrain from surreptitious acts which we like to think of as "short of war" but which all sensible people in the world know to be acts of war. There is little sentiment in this country in favor of the United States entering the war. So far as expressions in the Senate and the House are concerned, not a single Member of Congress has dared to say he would vote today to put this country into war. Therefore I say let us be careful not to provoke war, not to invite it, not to go to the point where

it is inescapable. This great Nation, with its millions of people and its great resources, is the only light of democracy left in all the world, the only beacon of hope, for the preservation of civilization and humanity. To risk its destruction now, in the military condition in which we know we are, would be appalling.

It would be slaughter of the manhood of the country to put us into war today, in the light of what every Member of this body knows about the condition of our Army insofar as preparedness is concerned. I do not want to do it. I will not do it. I will walk out of this chamber and tender my resignation, if necessary, rather than put my country into a European war—a war which was provoked—falsely, if you please—upon the claim that Germany was robbed by the Allies as a result of the treaty which was made at Versailles, at the end of the last European war.

If one of the principal causes of the war in Europe is not the Versailles Treaty, it is at least a death struggle between irreconcilable systems of economy and political philosophies, engendered and promoted by mutual claims of hypocrisy, deceit, and greed.

I do not defend the ruthless, aggressive attitude of Germany. I can, however, understand that the state of mind among the German people and their officials may be explained in part by the belief that a treaty was made in which they were robbed of their possessions and of their people and the right to control them. I can understand that psychology. Not to understand it is to fail to understand the background of the war in Europe, which is not of our making, but one which is largely based on grievances, rivalries of Old World origin. If 25 years ago we had had a war with Japan and California had been taken over by Japan, would there ever have been a day or an hour when we would not have prayed for the day when we could take California back? In such a situation, if our democratic institutions should fail to act quickly, it is quite possible that another demagogue or tyrant would appear upon the horizon and say, "We want California back. The time has come. We have been and are now prepared to seize the property which was taken from us."

Mr. President, our position is not the position of Germany. In Germany there exists a spirit of revenge, a bitter determination to get back what was taken away from her. Are we forgetful of human nature? Are we unable to comprehend the difference between our position and the European belligerents? If two men quarrel and one man is severely injured and even goes to the hospital, in time the two men may shake hands and be friends. But if at the time of the quarrel the one who is responsible for the injuries to the other puts a pistol at his head and says, "Give me your pocketbook and a deed to half your lands," the other will never forgive him.

Mr. President, I am not defending such an attitude; but this war is the result of a treaty which has been denounced again and again on the floor of the Senate. Both sides claim to be the victims of injustice—one an oppressive treaty, the other deceit and gross irresponsibility of dictators.

To his dying day the brave, great, noble soul from Idaho, who sat across the aisle, denounced that treaty, and again and again he said it was provocative of war, that it would mean war. Did we sign that treaty? Have we any obligation under that treaty? Are we compelled to enforce it because those who are participants in it have reopened it by declaring war upon each other? That is what it amounts to. They have brazenly scrapped it; they have ruthlessly torn it to pieces and said, "We are not going to stop our military preparedness until we get what you took from us." Does anyone think a just treaty will be negotiated if the totalitarian states win? Most emphatically, no. The treaty of the present war will simply be the beginning of another war.

Under those circumstances, in heaven's name, why can we not keep away from their war?

When have the German Government or the German people ever done anything to us, as a nation, that should cause us to go to war? When have the Italian Government or the Italian people ever said anything against our Government or our people or usurped any of our resources or committed a

single unfriendly act against us? Our only grievance is that she did not wage war on the side with which we sympathize. Why, then, should we feel it incumbent upon us to participate in a quarrel which they have, a quarrel which we think is unjust, which we think is indefensible, and which we think is injurious to all democratic forms of government in the world? Why should we, by act or deed, officially—officially—seek to engender hatred, animosity, and hostile feeling and step by step proceed upon a course of action that might lead us into this war? Have we lost conception of the awful, awful, awful consequences of war to America?

Is there any boy or man of military age asking us to go to war or to go one degree beyond what we conceive to be the protection of our country against invasion and war?

Are the mothers of America who must send their sons to fight talking war in this country today? Whence does the agitation come? It comes from a limited number of men of property, not from the men or women who have nothing to give their country but their heart's blood, their lives—worth more than all the dollars of the affluent, all they possess—their own bodies, their own souls. Are we thinking of them? Upon them will fall the real trials and blood sacrifices. Or are we answering the call of those who seek intervention because of social attachments, international relationships, or financial obligations? I realize many are honest and sincerely believe that it would be a calamity to the world for the democracies of Europe, England and France, to fall in this great crisis. I do not hesitate to say that if this agitation from the men of property as against the men of no property continues in this country there will be developed a radical spirit which it will be very difficult to check. Many letters from men and women come to me from millionaires and multimillionaires, pleading with me in their communications to help to the limit the Allies. They are, or at least their organized leaders are, deceiving the public under the slogan "Aid to the Allies to the limit short of war." Mind you, I do not charge all who urge this as being willing, if necessary, to go to war, but certainly the leaders promoting this propaganda have in mind the developing of the war spirit.

Professor Elliott speaking at Harvard yesterday told the real story of what these leaders have subscribed to when he urged compulsory military training, and said:

For myself, today more than ever, I ask, Why short of war?

What is meant by "short of war"? At least Professor Elliott knows what a cloak and misrepresentation it is of the real objective.

Does "Aid short of war" mean tapping to the limit the resources and productive capacity of private source here in America? To that we all subscribe. Or does "Aid short of war" mean giving away implements of defense, built and building—and imperatively needed for our own protection? Does "Aid short of war" mean that our Government should go half way into the war and then expect to stay half way out? Frankly, do not many of those who urge "Help the Allies short of war" mean what appears frequently in letters addressed to Senators, "Help the Allies by all means short of war—but even with war if necessary"? No letters from these advocates plead with Senators to desperately attempt to keep the youths of America from the slaughter pits of Europe.

Oh, the tragedy of it, that a powerful group of men of property should be challenging the peace desires of the millions of poor people who toil and labor and sacrifice and to whom war would compel them and their children for generations to come to eat the bread of poverty. Will the sons of the rich go into the trenches or will they go into the intelligence or commissary corps, where there is no real fighting? Who will bare their breasts in this fight but the plain people who have no personal friends in the Senate or in the House or in high position? I plead for them, that they be spared the awful horrors of war until it comes to our door. I protest the efforts and propaganda that is leading to their slaughter in a European war.

I repeat, the second obligation is of equal importance: Get ready, let us have speed, action, so that we will be ready if

enemies are seeking to declare war upon us, an innocent people. They have not the excuse of a Versailles Treaty in warring upon us. I say, let us prepare; that is our real business.

I appreciate the fact that my fellow Senators and my countrymen have given me during the last few months the privilege and honor of shaping and forming and drafting measures to help expedite action so that we will have an impregnable navy.

If I have been sensitive and keen about the least interference with our defenses, it is because of two reasons: First, I want to have our defenses so complete and so powerful that they will prevent any violent-minded enemy from successfully attacking us; and, second, I do not want our forces deprived of one gun, or one bomb, or one ship which can aid that American boy whom you and I some day may have to draft. I want every instrument, I want every bomb, I want every shell, I want every plane, I want every boat ready and available, so that I can say when and if it becomes necessary to draft him, "Young man, you have every possible weapon of defense your Government can give you."

Excuse me; I have departed from the subject of this bill; but I thought perhaps it was an opportune time for me to express my views of what I think my country ought to do at this crisis.

If there are no questions, I will proceed to discuss the bill. Section 1 of this bill—

Mr. DOWNEY. Mr. President, if the Senator will yield, 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	Davis	Lee	Schwartz
Andrews	Donahey	Lodge	Schwellenbach
Ashurst	Downey	Lucas	Sheppard
Austin	Ellender	Lundeen	Shipstead
Bailey	George	McCarran	Slattery
Bankhead	Gerry	McKellar	Smith
Barkley	Gillette	McNary	Taft
Bilbo	Green	Maloney	Thomas, Idaho
Bone	Guffey	Mead	Thomas, Okla.
Bridges	Gurney	Miller	Thomas, Utah
Brown	Hale	Minton	Tobey
Bulow	Harrison	Murray	Townsend
Burke	Hatch	Neely	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	Pittman	Wheeler
Clark, Idaho	Johnson, Calif.	Radcliffe	White
Clark, Mo.	Johnson, Colo.	Reed	Wiley
Connally	King	Reynolds	
Danaher	La Follette	Russell	

The PRESIDING OFFICER (Mr. O'MAHONEY in the chair). Ninety Senators having answered to their names, a quorum is present. The Senator from Massachusetts has the floor.

Mr. VANDENBERG. Mr. President—

Mr. WALSH. I yield to the Senator from Michigan.

Mr. VANDENBERG. In the course of my colloquy with the able Senator from Massachusetts, I quoted from a statement made by Mr. Henry L. Stimson. In fairness to Mr. Stimson, I think the entire statement should be printed. I was reading from an editorial in the Wall Street Journal this morning, which, strange to say, comes to the conclusion, as to the gentleman who has just been recommended for Secretary of War, that—

What Mr. Stimson advocates amounts to United States entrance into the war.

Mr. President, I ask unanimous consent that this editorial may be printed in the RECORD as part of my remarks. Then I express the earnest hope, in fairness to Mr. Stimson, that before the Senate Military Affairs Committee acts upon his nomination it will call him before the committee, so that the Senate itself may have a full and authentic record as to precisely what his views are in respect to these desperately important matters.

The PRESIDING OFFICER. Without objection, the editorial will be printed in the RECORD.

The editorial is as follows:

[From the Wall Street Journal of June 21, 1940]

MR. STIMSON SHOULD NOT BE SECRETARY OF WAR

On Tuesday, June 18, two days before his nomination to be Secretary of War, Henry L. Stimson made a radio address entitled "America's Interest in the British Fleet." Here follows the text of the conclusion of Mr. Stimson's address as transcribed by the National Broadcasting Co., over which the speech was transmitted:

"To put the matter concretely my recommendation would be that the following steps should immediately be taken:

"1. We should repeal the provisions of our ill-starred so-called neutrality venture which has acted as a shackle to our true interests for over 5 years.

"2. We should throw open all of our ports to the British and French naval and merchant marine for all repairs and refueling and other services.

"3. We should accelerate by every means in our power the sending of planes and other munitions to Britain and France on a scale which would be effective; sending them if necessary in our own ships and under convoy.

"4. We should refrain from being fooled by the evident bluff of Hitler's so-called "fifth column" movements in South America. They are on the face of them attempts to frighten us from sending help where it will be most effective.

"5. In order to assist the home front of Britain's defense we should open our lands as a refuge for the children and old people of Britain whose liability to suffering from air raids in Great Britain is a constant inducement to surrender to terms which she would otherwise resist.

"6. We should, every one of us, combat the defeatist arguments which are being made in this country as to the unconquerable power of Germany. I believe that if we use our brains and curb our prejudices we can, by keeping command of the sea, beat her again as we did in 1918.

"Finally, we should at once adopt a system of universal compulsory training and service which would not only be the most potent evidence that we are in earnest but which is at the present moment imperative if we are to have men ready to operate the planes and other munitions, the creation of which Congress has just authorized by a practically unanimous vote.

"In these ways, and with the old American spirit of courage and leadership behind them, I believe we should find our people ready to take their proper part in this threatened world and carry through to victory, freedom, and reconstruction."

What Mr. Stimson advocates amounts to United States entrance into the war; the assumption of an active role as a belligerent.

We stoutly affirm Mr. Stimson's right to speak for any policy in which he believes. He is an experienced and able statesman, and his views deserve respect.

However, we believe that Mr. Stimson's views, insofar as they would lead us to war, are far out of line with what the majority of the American people want.

On that ground we hold that the Senate of the United States should refuse to confirm the nomination of Mr. Stimson as Secretary of War.

We believe that it would be a calamity to put Mr. Stimson in the position where he could open this country to the danger of participation in the war which the American people oppose.

We say this with full recognition of Mr. Stimson's unquestioned integrity and fine ability.

Mr. VANDENBERG. In the same connection, I greatly hope that the ex-Secretary of War, Mr. Woodring, will be requested to appear and testify, and to explain whether the Associated Press has correctly quoted him that the reason why he was forced to resign was—

Because he opposed "stripping our defenses to aid the Allies."

Mr. President, I think it would bear somewhat upon the nature and extent of the qualifications of Mr. Woodring's successor if the reason why the successor is chosen to fit certain specifications is that his predecessor was discharged for these reasons; and I express the hope that Mr. Woodring may also be a witness.

Mr. CLARK of Missouri. Mr. President, will the Senator yield?

The PRESIDING OFFICER. The Senator from Massachusetts has the floor.

Mr. WALSH. I yield to the Senator from Missouri.

Mr. CLARK of Missouri. I desire to ask the Senator from Michigan if he does not think some of the questions posed in the Associated Press dispatch to which he has referred might be resolved if the White House were to see fit even to give out the letter of resignation of the ex-Secretary of War, which in ordinary course is done, and not hide behind the subterfuge that it is "too personal."

Mr. VANDENBERG. I agree with the Senator.

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

Mr. WALSH. I yield to the Senator from Indiana.

Mr. MINTON. I desire to say to the Senator from Michigan that the Military Affairs Committee met this morning, and determined to have Colonel Stimson appear before the committee after the Republican convention, because that is the earliest time at which we can have in attendance the distinguished members of the committee who belong to that party.

Mr. PEPPER. Mr. President, will the Senator from Massachusetts yield to me for a brief statement?

Mr. WALSH. If it is a brief one.

Mr. PEPPER. The chairman of the committee, instead of explaining the bill, made a fundamental declaration of policy, and I should like a brief opportunity to reply to it.

The PRESIDING OFFICER. Does the Senator from Massachusetts yield to the Senator from Florida for that purpose?

Mr. WALSH. My speech was the result of the declaration of military policy made by the Senator from Florida. He first opened the discussion of the subject.

I really should like to dispose of the bill; yet I do not want to be discourteous to the Senator. When the bill is open to discussion the Senator will have an opportunity to speak. It is not now open to discussion.

The PRESIDING OFFICER. The Senator from Massachusetts has the floor, and apparently declines to yield.

Mr. WALSH. The Senator from Florida, of course, has a right to take the floor when the first amendment is under discussion. Before I yield, I ask to have printed in the RECORD, in connection with my remarks, part of a speech delivered by A. Frank Reel, a Boston attorney, at the Thirty-sixth Annual Convention of the Maine State Federation of Labor at Portland, Maine, on June 13 of this year, on the subject Labor's Duty Is To Help Keep Us Out of War. In my opinion it is such an admirable address that I should like to have part of it printed in the RECORD in connection with my remarks.

The PRESIDING OFFICER. Without objection, the part of the address will be printed in the RECORD in connection with the remarks of the Senator from Massachusetts.

The part of the address referred to is as follows:

LABOR'S DUTY IS TO HELP KEEP US OUT OF WAR

If I were smart, I'd stop here; I'd give you a pretty peroration and sit down. And you would applaud and say, "There's a friend of ours. He's a good labor lawyer. We'd better get in touch with him to help us on our legal problems." If I were smart, I wouldn't say what I'm going to say, because it's not the popular thing and it runs counter to the hysteria of the moment.

But I can't talk about labor's future and not talk about the war. And I'm not smart, because I feel this thing too deeply. When I speak to you now I speak not merely as a labor lawyer, not merely as one who loves the labor movement and works passionately for its success, but I speak to you as a young man, single, free, untrammelled, physically fit—in short, grade A cannon fodder, even as are so many of you or so many of your sons. That's why I think I have a right to speak to you as I shall.

Labor's first duty is to help us keep out of the war in Europe in the event that it continues much longer. Today we are deluged with propaganda—radio, press, pulpit—urging us to all steps "short of war" to "defend America by aiding the Allies," etc. That's all very well, providing, of course, we realize that if we keep on taking step after step toward the shore line, we're bound to get our feet wet. The voices I'm talking about are those that are urging us to declare war on Germany and Italy. And those voices grow in number and intensity every day, and their sound will swell to a roar if and when the Nazis invade England.

Perhaps one of my troubles is that while I'm young enough to be a soldier, I'm not so young that I can't remember the last war. Ever since Abraham Lincoln immortalized the phrase in his Gettysburg address, we Americans have imbued our consciousness with the desire to feel about those who have died wearing our uniform that "these dead have not died in vain." And yet, as we ask the question about those thousands of American boys who fell in 1917 and 1918, is there any doubt as to the answer? Horrible though the thought may be, are we not now forced to say: "They did die in vain?"—they died in vain.

Why did they die? Why did we go into that last war? We still don't know, but we do remember the reasons that were given us. Did those soldiers die to save the world for democracy? Then they died in vain, for the world has seen less democracy in the past 10 years than at any time in the last ten decades. Did they die so that their war might end all war? Horrible mockery—and of course, in vain. Or did I hear President Coolidge of Harvard say: "Let's forget the 'moral issue' and remember only the 'realistic appraisal'?" All right. Did they die to save France and England? Then who can say that their death was justified, for if we had not gone into the last war and even if the Kaiser had won, wouldn't France and England

be better off than they are today? Or did those boys die to prevent an eventual invasion of America to save the Western Hemisphere from rule by the Kaiser's son? Then glance at our \$5,000,000,000 defense program, and know that even if that was the reason, they died in vain. No, we must realize, first, that there is hardly a man of intelligence in the United States today who will not admit that our entry into the first World War in 1917, with all of Woodrow Wilson's sincere idealism, was a stupid and ghastly mistake.

I do not say that the issues of this war are exactly the same to the belligerents as they were in the last war, but I do say that rather than join in a hysterical chorus, it is well for us to realize that the arguments being fed to the American people in favor of our entry into the war bear a striking resemblance to fevered talk of the first 3 months of 1917.

Practically all of us want to see Hitler and Mussolini defeated. Almost all of us would rather see the Allies win than to let the dictators triumph in any manner. Personally, I hate Hitler and Mussolini and everything they stand for, and Heaven knows I have as much reason to hate them and their vicious systems as any American who ever lived. Yet I know that Hitler and Mussolini are not accidents. And I know that the world's present horror does not exist merely because a certain bad man moved from Austria into Germany a few years ago.

I believe that Adolf Hitler—more than any one man—is responsible for this terrible war. But if you ask me to look back—not 5 years—but 10 years—and to tell you who is responsible for Hitler, then I say the blame must be shared by the other side in this conflict. And that brings us back to the end of the last war—and to the probable end of this one, no matter who wins. For this world has not learned what it should have learned—that you cannot grind down and exterminate a strong people—whether they be Englishmen or Frenchmen or Germans—or Americans. You can drive them far, but do not be surprised if, in their desperation they give up their freedom and their destiny to a maniacal gangster.

I know that you men and women of labor reflect as much as any other group in the country the so-called change in sentiment that has come over the American people in the last few months. But why have we changed our minds? Last fall, after the war had started and after the invasion of Poland, the United States Congress strengthened our Neutrality Act by insisting on "cash and carry." There was no doubt about our repeated insistence on neutrality, and the fact that we would not go to war in Europe. What has happened since then to make us change our minds? Is there a moral reason for a change of heart? Hitler marched into Denmark, Norway, Holland, and Belgium, but these invasions were war. Hitler's crimes were committed long before war strategy directed his movements; they were committed before "cash and carry" became law. The invasion of the neutral countries this spring was frightful—but it is war—and war is hell. War means that you must kill or you will be killed—and it's not a football game that is to be played according to pretty rules. Millions of innocent people are tortured—on the other side—to save your own side. Bombs are more dramatic, but no less frightful than starvation. The Allies were fighting what they call a "war of attrition," and that means starving every man, woman, and baby in Germany; there is no "evacuation" from starvation "objectives." Make no mistake, if we go to war we're going out to try to kill—by slow horrible starvation—every man, woman, and baby in Germany and in Italy because that's the kind of bloody business that war is.

And so I say that when we analyze this "change in sentiment" we'd better realize that it's not on any moral basis. We're afraid. We're afraid Germany will win and come over here. There is reason for that fear, and so we are preparing to defend ourselves. That is as it should be. We're all in favor of the defense program. You and I would fight and die to defend America. But let's stick to defense, and let's not get hysterical.

Let me read you a few sensible lines from an editorial in yesterday's Boston Globe:

"On this earth in the year which we reckon as 1940 the creature called man has got hold of scientific forces, perhaps prematurely, which he applies through machines. These machines can create wealth and they can destroy life, which means that they can be utilized to seize the wealth already acquired by other peoples, and this is exactly what is happening—a melee among the mechanized nations for the possession of wealth and power. Mussolini as good as said so 48 hours ago when he pushed Italy into the meat grinder.

"In all this there is nothing new; it has happened often; it has been foreseen and predicted, even to the present situation of the two hungry Fascist powers attempting to plunder two big empires, the British and French.

"Alarm, which is just now very vocal, raises a practical question, whether the apparent danger were better warded off by our fighting in Europe (as we have done within a generation) or by guarding well our own hemisphere."

The editorial writer and I both say that the answer should unequivocally be the defense of our hemisphere. It is a big job, but America has never known the meaning of the word "impossible." Let there be a coalition of victorious dictators; let them even solve the problem of trying to subjugate unwilling and starving peoples; let them manage to restore their spent and wasted resources; let them cross 3,000 miles of water; give them all of these miracles; they still will find here a Nation of 140,000,000 free men, the greatest mechanics in the world, unlimited food and fuel, and a determination to keep the Americas safe for democracy.

This is labor's job—not only to prepare physical defense, but to prepare moral defense, to rebuild and strengthen our democracy. That means more labor-union members—not less. It means higher standards of living, less unemployment, a more even distribution of wealth. Yes, it means watching out for and driving out "fifth columnists." We despise "fifth columnists" because they are people whose first love is for some other country. The Communists, for instance, think first of all of Russia and follow its orders. If there ever were any doubt about that, it was dispelled when they changed their "line" coincident with the signing of the Hitler-Stalin pact, and overnight stopped shouting for "collective security" with the great democracies and adopted a spurious isolationism that will shift back again if and when Stalin signs up with Sir Stafford Cripps. The same is true of our local Nazis—whose first love is Germany. But just as dangerous, because far less obvious, is the "fifth columnist" whose allegiance runs first to the Union Jack.

I know and studied under some of the Harvard professors who have of late been sounding off in public urging us to declare war on Germany, and who, from the safety of their academic chairs, have already been questioning the courage of any inquiring student. These men live much of their lives in England; they vacation there, they teach there, and it is quite understandable that they regard an invasion of Britain with almost as much distaste as they would an invasion of the State of Maine, whereas an occupation of Ethiopia or China or Finland arouses only their pity.

Along with these "fifth columnists," go the traitors who under guise of promoting national unity, would sabotage the social gains of the New Deal—and those who impugn the patriotism of anyone who dares to fight for better living standards. These are dangerous men, for their words over the radio and in the press carry the authority due learned patriots. As Professor Zipf pointed out in a recent letter to a Boston newspaper, "The original Trojan horse that doomed Troy did not goose-step through the gates, but entered as a holy, sanctimonious offering to the gods."

Discontent is the dung that fertilizes American fields for the "fifth columns." We must defend America by aiding the Americans.

Let us remember that it is one thing to fight negatively against dictators whom we hate; it is another thing to fight affirmatively in defense of that which we love—a happy homeland and a free people. If the time must come when you and I will offer our lives in defense of these shores, I pray that it will not be in defense of a land where one-third of the people are kept ill-clad, ill-housed, and ill-fed, where ten millions of them are unable to find work, where mobs burn homes and lynch human beings, but that it will be in defense of a people who have realized the dream of Thomas Jefferson and who have justified the faith of Abraham Lincoln. That will be the future of which "the patriot's dream—who see beyond the years"—when our "alabaster cities gleam—undimmed by human tears." Perhaps when that dawn breaks our successful democracy will cast a light so dazzling that it will open the clouded eyes of those who follow the dictators. Then weary mankind will lay down its arms, really beat its swords into plowshares, and once again will start the slow upward climb toward a true Christianity.

Mr. MEAD. Mr. President—

Mr. WALSH. I yield to the Senator from New York. Then I will yield to the Senator from Florida.

Mr. MEAD. I am very much interested in the bill which is before us, and particularly the portion of it on page 4, lines 6 to 19. I ask the able chairman of the committee if those provisions limit to 7 percent the profit in the manufacture of airplanes and airplane parts.

Mr. WALSH. Mr. President, the question is an involved one. I have a substitute for those provisions which I am going to offer. In brief, though, an attempt is made in the bill to limit profits to 7 percent. I assume the Senator has no objection to that.

Mr. MEAD. I should like to have this idea considered in connection with that limitation:

In the manufacture of airplanes and airplane parts a tremendous outlay of money is necessary in the expansion, the development, the experimentation, and the engineering costs. If those costs are to be considered, and then if the higher tax imposts are to be levied, and then if 7 percent is to be the outside margin of profit, it will be most difficult for us to attract capital into the production of airplanes.

For instance, take the case of a manufacturer in my home district: In the engineering and experimentation in connection with a new model, the company spent \$800,000. If we consider that outlay—and it is continuous and continuing in connection with all new models, and must be encouraged, because the airplane models of 1936 and 1937 would not be worth anything in a war in 1940—and then if we consider, in addition to that toll, the higher taxes contained in the tax bill which we have just passed, together with the fact that

the manufacturers are limited in the competition for contracts—some of the contracts, I understand, are competitive, and some are negotiated—I am a little bit fearful that we shall cut the margin so thin as to retard rather than to expedite the mass production of planes.

I am not interested in profits. I am not concerned with the manufacturers even making 7 percent. I am vitally concerned in the first place in the production of planes sufficient for our national defense; and I was wondering if the committee had that matter in mind.

Mr. WALSH. Mr. President, it would take from 10 to 20 minutes to explain those provisions. If the Senator wants me to do it now, I will; but I am anxious to do the courtesy of yielding to the Senator from Florida. I wish the Senator from New York would wait until we come to that part of the bill. It is quite an involved problem. There are in the bill three methods of contracting for airplanes, and there is a different measure on the profits of each method.

Mr. MEAD. Very well. I shall be very glad to wait until the Senator comes to that point in the bill. I will conclude by saying that I am interested only in the mass production of planes for our defense.

Mr. WALSH. I now yield to the Senator from Florida.

Mr. HATCH. Mr. President, a parliamentary inquiry. The parliamentary inquiry is prompted by the fact that for some time I presided over the Senate when the Senator from Massachusetts was ably explaining this bill and being very courteous to Senators. I happen to know that there are other Senators who have important and some of them privileged matters which they desire to have taken up.

The question is, May the Senator from Massachusetts yield to another Senator for the purpose of making a statement, or for the purpose of making a speech, as has been done quite frequently throughout the day?

The PRESIDING OFFICER. The parliamentary rule, as all Senators well know, is that a Senator may not yield the floor except for a question; but it is a rule more honored in the breach than in the observance. The Senator from Massachusetts has the floor.

Mr. WALSH. I will say to the Senator that with an amendment pending, any Senator has a right to the floor.

Mr. HATCH. Mr. President, a parliamentary inquiry. It is quite correct that with an amendment pending any Senator has a right to the floor; but has any Senator requested the floor from the Senator from Massachusetts in his own right?

The PRESIDING OFFICER. No Senator has been recognized except the Senator from Massachusetts, who still has the floor. The question is upon agreeing to the first amendment to the bill which is before the Senate.

Mr. TRUMAN. Mr. President, if the Senator intends to yield the floor, I desire to be recognized on a privileged matter.

Mr. PEPPER. Mr. President—

The PRESIDING OFFICER. Does the Senator from Massachusetts yield?

Mr. WALSH. I must yield on a privileged matter, as I understand the parliamentary rules.

Mr. TRUMAN. I have a privileged matter which I desire to have brought up.

Mr. WALSH. I yield, if it is a privileged matter.

ALTERATION OF CERTAIN BRIDGES OVER NAVIGABLE WATERS—VETO MESSAGE

Mr. TRUMAN. Mr. President, there is a veto message on the table which I desire to bring up. It relates to House bill 9381.

The PRESIDING OFFICER laid before the Senate a message from the President of the United States to the House of Representatives, and a message from the House relative thereto, which were read, as follows:

To the House of Representatives:

I am returning herewith, without my approval, H. R. 9381, a bill 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.

The bill contains a number of provisions that are very similar to some of those in the General Bridge Act of March 23, 1906 (34 Stat. 84). However, it would establish a new policy by which the United States would be required to bear a portion of the cost of alterations or changes in bridges over navigable waters used and operated for the purpose of carrying railroad traffic, or both railroad and highway traffic, where such alterations or changes are found to be necessary by the Secretary of War for free and unobstructed navigation. Under the new policy which the bill proposes, the bridge owner would be required to bear only such part of the cost of such alterations or changes as may be attributable to the direct and special benefits which will accrue to him, as determined by the Secretary of War; and the United States would be required to bear the remainder of such cost. The provisions of the bill are substantially the same as those contained in S. 1989 from which I withheld my approval on August 11, 1939.

As was stated in my memorandum of disapproval of S. 1989, the General Bridge Act of March 23, 1906, authorizes the Secretary of War to require the alteration of any bridge which, in his opinion, may at any time unreasonably obstruct navigation, the cost of such alteration to be borne entirely by the owner. This has been a condition precedent to the construction of bridges over the navigable waters of the United States and the owners are fully apprised of the condition before the construction work is undertaken. The Supreme Court has repeatedly held that where a bridge is an unreasonable obstruction to navigation, the removal of such obstruction may be required without compensation from the United States, and such removal cannot be regarded as a taking of private property within the meaning of the Constitution. To require the Federal Government to pay the cost of alterations which do not directly benefit the bridge owners would impose upon it heavy financial liabilities. It is the duty of the Government to preserve and protect the navigability of our navigable waters, and when any person, association, corporation, or other body is authorized to build a structure over any such stream, the United States should not be required to bear any part of the cost of alterations which are necessary to avoid obstructions to navigation.

I am, therefore, returning the bill, H. R. 9381, without my approval, as it does not appear that any adequate reason exists for imposing upon the Federal Government the additional burdens which the bill proposes.

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE, June 10, 1940.

IN THE HOUSE OF REPRESENTATIVES, June 19, 1940.

The House of Representatives having proceeded to reconsider the bill (H. R. 9381) 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, returned by the President of the United States with his objections, to the House of Representatives, in which it originated, it was
Resolved, That the said bill pass, two-thirds of the House of Representatives agreeing to pass the same.

The PRESIDING OFFICER. The question is, Shall the bill pass, the objections of the President of the United States to the contrary notwithstanding?

Mr. TRUMAN obtained the floor.

Mr. DANAHER. Mr. President, I think this matter is of sufficient importance that we should have a quorum present, and I suggest the absence of a quorum.

The PRESIDING OFFICER. Does the Senator from Missouri yield for that purpose?

Mr. TRUMAN. I expect to call for a quorum before the vote is taken. I should like to make a statement of the situation before the Senator asks for a quorum.

Mr. DANAHER. Mr. President, I think this matter is of such importance that I suggest the absence of a quorum.

Mr. TRUMAN. I do not yield for that purpose at the present time.

Mr. DANAHER. A parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. DANAHER. Is not the suggestion of the absence of a quorum in order at any time?

The PRESIDING OFFICER. No; it cannot take a Senator off his feet.

Mr. TRUMAN. Mr. President, this is a matter which has been under consideration by this body for 2 years. Last year the Committee on Commerce of the Senate held elaborate hearings on a bill identical with that which has been vetoed. It passed the Senate by a unanimous vote after the report of the Committee on Commerce. It passed the House under the same conditions. The President vetoed the bill at the end of the session last year. It was reintroduced this year in the House of Representatives. I made a special call upon the President one Sunday at his request, and went into the details of his objections, and thought they had all been met. I sent the following letter to the House committee:

While I may not, because of the rule of protocol against quoting the President as to exactly what he said to me, yet I can with propriety certify the clear understanding I gained from a personal interview with him. Therefore, I certify that House bill 9381 is in complete and perfect accord with my clear understanding, so gained, of just what the President wanted in this matter.

Mr. President, this is a part of the transportation policy laid down by the President's Committee of Six and Committee of Three which went into the whole railroad problem. It was included in the omnibus railroad bill which the Senator from Montana [Mr. WHEELER] and I refused to introduce. That bill was divided up into four or five parts, one of which this is.

When, in the interest of navigation, a bridge owner is required to rebuild or widen or heighten a bridge over a navigable stream, the bill requires the Federal Government to pay that part of the benefit which does not affect the owner of the bridge. The owner of the bridge is to pay all the rest of the charge against him for the benefit he may receive. If he does not receive certain benefits, then the Federal Government has to pay those benefits. If it is a new bridge, he has to pay the whole cost. If it is an obsolete bridge, one which has to be replaced in the interest of the owner, he has to pay the whole cost. It is only if a bridge owner is required to replace a bridge in the interest of navigation that the bill would apply.

I think this is an eminently fair measure. I think it is in shape so that the interests of the general public are amply protected. I do not desire to take up too much time of the Senate. If Senators will read the complete statement on the subject by Mr. LEA, chairman of the House committee, found at page 8647 of the CONGRESSIONAL RECORD, they will find that it covers every detail in regard to the bill.

I sincerely hope the Senate will vote to override the veto of the President.

Mr. REED. Mr. President, I rise to support the position taken by the junior Senator from Missouri [Mr. TRUMAN]. This bill is an eminently fair and equitable measure. The Government of the United States, which means the people of the United States, does own navigable waters. When a bridge is erected across a navigable stream, or any other navigable water, permission must be obtained to erect it. After the bridge has been built, if it is sufficient for the purposes of the builder, and there comes a change for some other reason other than the builder's reason, there is no equity in requiring the original builder of the bridge, if it is still safe, and if it is still adequate, to meet the costs of the change.

For example, it has been suggested that the so-called long bridge across the Potomac River here be raised several feet, wholly for scenic purposes. There is no substantial navigation there, although the Potomac is a navigable stream. The railroads find that bridge adequate for their use. Should they be required to pay the expenses of raising a bridge which is perfectly adequate for their purpose, the raising of which does not affect them a particle?

Mr. President, that is all there is to the bill. It has been before the committee for 2 years, as the junior Senator from Missouri has stated. It has been unanimously approved by the committee. It unanimously passed this body. The War Department made some objections which caused the President to veto the bill last year, and before the bill was passed

this year every effort was made, and it was thought successfully, to meet the objections the President had raised.

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

Mr. REED. I yield.

Mr. ADAMS. Will the Senator be good enough to answer a question or two merely for information? My first inquiry is as to the present law. Suppose a bridge were erected over a navigable stream with the consent of Congress. Could the War Department order the raising of that bridge, and, if so, could it throw the entire cost upon the owners of the bridge, under the present law?

Mr. REED. I wish I could give a complete answer to the distinguished Senator from Colorado as to the status under the present law, but I fear I cannot.

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

Mr. REED. I yield.

Mr. BARKLEY. Under the General Bridge Act of 1906, the Secretary of War, if a bridge turns out to be an obstruction to navigation, may require its reconstruction or removal, the entire cost to be placed on the owner.

Mr. ADAMS. Suppose a bridge had been built 30 or 40 or 50 years ago, and then, by reason of changes in the character of the use of the stream; that is, for instance, suppose there had been a navigation development, the owner of the bridge would, under the bill, be paid if he were required to adapt the bridge to the changed conditions?

Mr. BARKLEY. That is correct. I may say to the Senator that the act of 1906 was passed upon by the Supreme Court, which held that it was not a taking of property to require the removal or reconstruction of the bridge at the entire cost of the owner.

Mr. ADAMS. That is, that a crossing by a bridge is merely a revocable license, I assume.

Mr. BARKLEY. Yes; I think that is practically the case. Of course, bridges cannot be built over navigable streams without the consent of Congress and in pursuance of plans approved by the Secretary of War.

As to the Senator's question about the change in the use of the stream for navigation purposes, I think it is probably true that, with some few exceptions in certain sections of the country, the navigation of these streams has declined very largely; I mean the type of boats that used to go down the rivers and under these bridges has in many cases been entirely eliminated, and in some cases certainly lessened.

So, taking the country as a whole, and the navigable streams as a whole, certainly the inland streams, I should venture the suggestion that there is much less traffic likely to be interfered with by a bridge than there was 30, 40, or 50 years ago.

Mr. ADAMS. What is the formula for the apportionment of the cost under this bill?

Mr. BARKLEY. The formula is rather indefinite. I think the Secretary of War—

Mr. TRUMAN. May I read the formula?

Mr. BARKLEY. Yes.

Mr. TRUMAN. The bridge owner must pay—

1. For direct and special benefits to him;
2. For any benefits he receives due to a saving in the repair of the bridge, old or new;
3. For the maintenance cost of the bridge;
4. He must pay that part of the cost attributable to the requirements of traffic by rail or highway.

Mr. ADAMS. Who determines the apportionment of the cost?

Mr. TRUMAN. The Secretary of War.

Mr. ADAMS. Is the finding of the Secretary of War subject to review?

Mr. TRUMAN. Yes.

Mr. ADAMS. Does the act provide for a review?

Mr. TRUMAN. Yes.

Mr. ADAMS. Does the Senator have any idea as to what would be a practical and accurate apportionment of the cost?

Mr. TRUMAN. I have not. There has been no estimate made of that situation because it depends altogether on the size of the bridge and what is to be done about it.

Mr. REED. Mr. President, I rise only to add, in support of the junior Senator from Missouri, that there is no partisan division in connection with this matter. It is not a matter of politics. It is only a matter of equity in adjusting the present bridge conditions to the present time, and permitting improvements to be made, but not requiring the cost of improvements to be made solely at the expense of the bridge owner when the bridge owner is in nowise interested and receives no benefit.

I think the President, in vetoing the bill, was governed by advice from subordinates who were not sufficiently informed. The House very promptly passed the bill over his veto. I hope the Senate may do the same thing.

Mr. DANAHER. I wish to suggest the absence of a quorum before we proceed to the vote.

Mr. BARKLEY. Mr. President, will the Senator withhold his point of no quorum for a moment?

Mr. DANAHER. Yes.

Mr. BARKLEY. I wish merely to make a short statement. The measure is similar to a bill the President has heretofore vetoed on the ground that it will involve an obligation which is indefinite, of course, on the part of the United States, to pay a very large part of the expenses of remodeling or reconstructing railroad bridges over the navigable streams of the United States. I am not making this statement in order to influence any Senator. I make it merely to explain my own vote, and other Senators may take such attitude as they think wise.

Ever since 1906 we have been operating under the law to which reference was made a moment ago by the Senator from Colorado [Mr. ADAMS]. My information is from what I regard as authentic sources—although I imagine it is an estimate—that the passage of this bill would involve an annual cost of \$15,000,000 or \$20,000,000 to the United States.

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

Mr. BARKLEY. I yield.

Mr. TRUMAN. The total expenditure for razing and changing bridges over navigable streams since 1906 has been \$48,000,000. It is estimated that the Federal Government's share of the cost would be about \$10,000,000. Such changes may not be made again in 10 or 15 years. I think it is an equitable arrangement.

Mr. BARKLEY. No one knows in what condition these bridges are or how many of them would have to be removed or reconstructed over a period of years. It may be that many of them are on the verge of needing reconstruction now, regardless of their effect on the navigability of streams. Anyway, it is speculative. No one can be accurate as to how much it will cost. But the speculative estimate, I might say, from an authority that I regard as at least entitled to considerable weight would be an average of \$15,000,000 to \$20,000,000 a year. I do not know whether or not that estimate is correct.

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

Mr. BARKLEY. I yield.

Mr. TRUMAN. I think that is entirely out of line. The only two bridges in contemplation which I know anything about are one in Alabama and one at Sabine Pass in Texas.

Mr. BARKLEY. I have no information about those bridges, and I do not know how many would need attention now or in the future, but, for the reasons I have expressed and for the reason that the President has twice vetoed these bills, and that we have no very accurate information as to how much it might cost per year over an indefinite period, I do not feel that I can vote to override the veto at present.

Mr. DANAHER. Mr. President, I ask unanimous consent to be permitted to withdraw my suggestion of no quorum. The Senator from Vermont assures me that a roll call will be asked for anyway on this particular matter, and it is agreeable to me to withdraw my suggestion.

The PRESIDING OFFICER. Without objection, the suggestion of the absence of a quorum is withdrawn.

Mr. HATCH. Mr. President, a ye-a-and-nay vote is required. The Constitution provides for it.

The PRESIDING OFFICER. The Senator is correct. A ye-a-and-nay vote on the question is required.

Mr. AUSTIN. A parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. AUSTIN. Was consent given to the withdrawal of the suggestion of the absence of a quorum?

The PRESIDING OFFICER. Yes.

The question is, Shall the bill pass, the objections of the President of the United States notwithstanding?

Under the Constitution the yeas and nays must be ordered, so the Chair directs the clerk to call the roll.

The legislative clerk proceeded to call the roll.

Mr. HOLMAN (when his name was called). I have a general pair with the junior Senator from Tennessee [Mr. STEWART]. I am advised that if he were present he would vote as I shall vote. I vote "yea."

The roll call was concluded.

Mr. MINTON. I announce that the Senator from Mississippi [Mr. BILBO] is detained in one of the Government departments on matters pertaining to his State.

The Senator from South Dakota [Mr. BULOW], the Senator from Virginia [Mr. GLASS], the Senator from Iowa [Mr. HERRING], the Senators from Illinois [Mr. LUCAS and Mr. SLATTERY], and the Senator from New Jersey [Mr. SMATHERS] are necessarily absent.

Mr. McKELLAR. My colleague [Mr. STEWART] is detained on important public business. I am advised that if present and voting he would vote "yea." He has been unable to secure a special pair.

Mr. AUSTIN. The Senator from Idaho [Mr. THOMAS] has been called from the Senate on official business. If present, he would vote "yea."

The Senator from New Jersey [Mr. BARBOUR] is absent on official duties.

The Senator from New Hampshire [Mr. TOBEY] is necessarily absent on the business of the Senate.

The result was announced—yeas 65, nays 17, as follows:

YEAS—65

Andrews	Donahey	Lodge	Schwellenbach
Ashurst	Downey	Lundeen	Smith
Austin	Ellender	McCarran	Taft
Bailey	George	McKellar	Thomas, Utah
Bankhead	Gerry	McNary	Townsend
Bone	Gurney	Maloney	Truman
Brown	Hale	Mead	Tydings
Byrd	Harrison	Nye	Vandenberg
Capper	Hatch	O'Mahoney	Van Nuys
Caraway	Hayden	Overton	Wagner
Chandler	Hill	Pepper	Walsh
Chavez	Holman	Pittman	Wheeler
Clark, Idaho	Holt	Radcliffe	White
Clark, Mo.	Johnson, Calif.	Reed	Wiley
Connally	Johnson, Colo.	Reynolds	
Danahey	Kling	Russell	
Davis	La Follette	Schwartz	

NAYS—17

Adams	Green	Minton	Shipstead
Barkley	Guffey	Murray	Thomas, Okla.
Burke	Hughes	Neely	
Byrnes	Lee	Norris	
Gillette	Miller	Sheppard	

NOT VOTING—13

Barbour	Frazier	Lucas	Stewart
Bilbo	Glass	Slattery	Thomas, Idaho
Bridges	Herring	Smathers	Tobey
Bulow			

The PRESIDING OFFICER. On this vote the yeas are 65 and the nays are 17. Two-thirds of the Senators present having voted in the affirmative, the bill (H. R. 9381) is passed, the objections of the President of the United States to the contrary notwithstanding.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Calloway, one of its reading clerks, announced that the House had disagreed to the amendments of the Senate to the bill (H. R. 10055) making supplemental appropriations for the national defense for the fiscal year ending June 30, 1941, and for other purposes; agreed to the conference asked by the Senate on the disagreeing votes of the two Houses thereon, and that Mr. TAYLOR, Mr. WOODRUM of Virginia, Mr. CANNON

of Missouri, Mr. LUDLOW, Mr. SNYDER, Mr. O'NEAL, Mr. JOHNSON of West Virginia, Mr. TABER, Mr. WIGGLESWORTH, Mr. LAMBERTSON, and Mr. DITTER were appointed managers on the part of the House at the conference.

STRENGTHENING OF THE NATIONAL DEFENSE—CONFERENCE REPORT

Mr. SHEPPARD submitted the following report, which was ordered to lie on the table.

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 9350) to expedite the strengthening of the national defense, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert the following:

"That (a) in order to expedite the building up of the national defense, the Secretary of War is authorized, out of the moneys appropriated for the War Department for national defense purposes for the fiscal year ending June 30, 1941, with or without advertising, (1) to provide for the necessary construction, rehabilitation, conversion, and installation at military posts, depots, stations, or other localities, of plants, buildings, facilities, utilities, and appurtenances thereto (including Government-owned facilities at privately-owned plants and the expansion of such plants, and the acquisition of such land, and the purchase or lease of such structures, as may be necessary), for the development, manufacture, maintenance, and storage of military equipment, munitions, and supplies, and for shelter; (2) to provide for the development, purchase, manufacture, shipment, maintenance, and storage of military equipment, munitions, and supplies, and for shelter, at such places and under such conditions as he may deem necessary; and (3) to enter into such contracts (including contracts for educational orders, and for the exchange of deteriorated, unserviceable, obsolescent, or surplus military equipment, munitions, and supplies for other military equipment, munitions, and supplies of which there is a shortage), and to amend or supplement such existing contracts, as he may deem necessary to carry out the purposes specified in this section: *Provided*, That the limitations contained in sections 1136 and 3734 of the Revised Statutes, as amended, and any statutory limitation with respect to the cost of any individual project of construction, shall be suspended until and including June 30, 1942, with respect to any construction authorized by this Act: *Provided further*, That no contract entered into pursuant to the provisions of this section which would otherwise be subject to the provisions of the Act entitled "An Act to provide conditions for the purchase of supplies and the making of contracts by the United States, and for other purposes", approved June 30, 1936 (49 Stat. 2036; U. S. C., Supp. V, title 41, secs. 35-45), shall be exempt from the provisions of such Act solely because of being entered into without advertising pursuant to the provisions of this section: *Provided further*, That the cost-plus-a-percentage-of-cost system of contracting shall not be used under this section; but this proviso shall not be construed to prohibit the use of the cost-plus-a-fixed-fee form of contract when such use is deemed necessary by the Secretary of War.

"(b) The Secretary of War is further authorized, with or without advertising, to provide for the operation and maintenance of any plants, buildings, facilities, utilities, and appurtenances thereto constructed pursuant to the authorizations contained in this section and section 5, either by means of Government personnel or through the agency of selected qualified commercial manufacturers under contracts entered into with them, and, when he deems it necessary in the interest of the national defense, to lease, sell, or otherwise dispose of, any such plants, buildings, facilities, utilities, appurtenances thereto, and land, under such terms and conditions as he may deem advisable, and without regard to the provisions of section 321 of the Act of June 30, 1932 (47 Stat. 412).

"(c) Whenever, prior to July 1, 1942, the Secretary of War deems it necessary in the interest of the national defense, he is authorized, from appropriations available therefor, to advance payments to contractors for supplies or construction for the War Department in amounts not exceeding 30 per centum of the contract price of such supplies or construction. Such advances shall be made upon such terms and conditions and with such adequate security as the Secretary of War shall prescribe.

"Sec. 2. (a) During the fiscal year 1941, all existing limitations with respect to the number of flying cadets in the Army Air Corps, and with respect to the number and rank of Reserve Air Corps officers who may be ordered to extended active duty with the Air Corps, shall be suspended.

"(b) The President may, during the fiscal year 1941, assign officers and enlisted men to the various branches of the Army in such numbers as he considers necessary, irrespective of the limitations on the strength of any particular branch of the Army set forth in the National Defense Act of June 3, 1916, as amended: *Provided*, That no Negro because of race shall be excluded from enlistment in the Army for service with colored military units now organized or to be organized for such service.

"Sec. 3. All existing limitations with respect to the number of serviceable airplanes, airships, and free and captive balloons that may be equipped and maintained, shall be suspended during the fiscal year 1941.

"Sec. 4. (a) The Secretary of War is further authorized to employ such additional personnel at the seat of government and elsewhere, and to provide for such printing and binding, communication service, supplies, and travel expenses, as he may deem necessary to carry out the purposes of this Act: *Provided*, That until December 31, 1941, the Secretary of War may, if he finds it to be necessary for national defense purposes, authorize the employment of supervising or construction engineers without regard to the requirements of civil service laws, rules, or regulations: *Provided further*, That notwithstanding the provisions of section 6 of the Act of August 24, 1912 (37 Stat. 555; U. S. C., title 5, sec. 652), the Secretary of War may remove from the classified civil service of the United States any employee of the Military Establishment forthwith upon a finding that such person has been guilty of conduct inimical to the public interest in the defense program of the United States and upon the giving of notice to such person of such charges: *And provided further*, That within thirty days after such removal such person shall have an opportunity personally to answer such charges in writing and to submit affidavits in support of such answer.

"(b) Notwithstanding the provisions of any other law, the regular working hours of laborers and mechanics employed by the War Department, who are engaged in the manufacture or production of military equipment, munitions, or supplies shall be eight hours per day or forty hours per week during the period of any national emergency declared by the President to exist: *Provided*, That under such regulations as the Secretary of War may prescribe, such hours may be exceeded, but compensation for employment in excess of forty hours in any work week, computed at a rate not less than one and one-half times the regular rate, shall be paid to such laborers and mechanics.

"Sec. 5. The President is authorized, with or without advertising, through the appropriate agencies of the Government (1) to provide for emergencies affecting the national security and defense and for each and every purpose connected therewith, including all of the objects and purposes specified under any appropriation available or to be made available to the War Department for the fiscal years 1940 and 1941, (2) to provide for the furnishing of Government-owned facilities at privately owned plants, (3) to provide for the procurement and training of civilian personnel necessary in connection with the protection of critical and essential items of equipment and material and the use or operation thereof, and (4) to provide for the procurement of strategic and critical materials in accordance with the Act of June 7, 1939, but the aggregate amount to be used by the President for all such purposes shall not exceed \$66,000,000. The President is further authorized, through such agencies, to enter into contracts for such purposes in an aggregate amount not exceeding \$66,000,000. An account shall be kept of all expenditures made or authorized under this section, and a report thereon shall be submitted to the Congress at the beginning of each session subsequent to the third session of the Seventy-sixth Congress: *Provided*, That no contract entered into pursuant to the provisions of this section which would otherwise be subject to the provisions of the act entitled "An Act to provide conditions for the purchase of supplies and the making of contracts by the United States, and for other purposes", approved June 30, 1936 (49 Stat. 2036; U. S. C., Supp. V, title 41, secs. 35-45), shall be exempt from the provisions of such Act solely because of being entered into without advertising pursuant to the provisions of this section.

"Sec. 6. Whenever the President determines that it is necessary in the interest of national defense to prohibit or curtail the exportation of any military equipment or munitions, or component parts thereof, or machinery, tools, or material or supplies necessary for the manufacture, servicing, or operation thereof, he may by proclamation prohibit or curtail such exportation, except under such rules and regulations as he shall prescribe. Any such proclamation shall describe the articles or materials included in the prohibition or curtailment contained therein. In case of the violation of any provision of any proclamation, or of any rule or regulation, issued hereunder, such violator or violators, upon conviction, shall be punished by a fine of not more than \$10,000, or by imprisonment for not more than two years, or by both such fine and imprisonment. The authority granted in this section shall terminate June 30, 1942, unless the Congress shall otherwise provide."

And the Senate agree to the same.

MORRIS SHEPPARD,
R. R. REYNOLDS,
WARREN R. AUSTIN,
ELBERT D. THOMAS,
Managers on the part of the Senate.

A. J. MAY,
EWING THOMASON,
DOW W. HARTER,
W. G. ANDREWS,
DEWEY SHORT,
Managers on the part of the House.

EXPEDITION IN NAVAL SHIPBUILDING

The Senate resumed the consideration of the bill (H. R. 9822) to expedite naval shipbuilding, and for other purposes.

AMERICAN FOREIGN POLICY

Mr. NYE. Mr. President, no one could have been within hearing of the debate which has transpired in this Chamber

since 11 o'clock this morning without feeling within him a tremendous degree of revulsion. No one could listen to so authentic a revelation of facts as came from the lips of the chairman of the Naval Affairs Committee without feeling—yea; without knowing—that this thing which we call our democracy has become quite as nothing, in the name of an emergency declared by a single American citizen.

As we listen to revelations of sales in violation of the spirit of the law, we listen to those who seem to leave the responsibility for such actions upon the doorstep of some admiral in the Navy, some general in the Army, or some member of the Cabinet, when the responsibility and the penalty—if penalty there is to be for violation of law—belongs upon one pair of shoulders alone—the shoulders of the Commander in Chief of the Army and Navy of the United States.

Let us be frank with ourselves. Any admiral, general, or member of the Cabinet who would not do what is being demanded in support of the foreign policy which has been laid down by the President of the United States, the Commander in Chief, would have happen to him precisely what happened yesterday to the Secretary of War, Harry Woodring, one of the few individuals in this Government to whom it has been grand to be able to tie during the more recent months—one who has had the temerity to stand out against the trend and to save for our own country what it had in the way of national defense.

We know what happened to the Secretary of War. We cannot, of course, yet know what immediate emergency occasioned his resignation, but if the letter of resignation written by the Secretary of War yesterday ever becomes public property, as it should, we shall know a little more of why he was required to resign—why he was forced to resign. There is some little evidence of reason to be found in this morning's newspapers. The Washington Post prints on its front page a dispatch from Topeka, Kans., under date of June 20, by the Associated Press, under the headline:

Forced out for trying to save defenses, Woodring is quoted.

The dispatch reads:

TOPEKA, KANS., June 20.—The Capital said tonight that Harry H. Woodring told friends in Topeka 3 weeks ago a "small clique of international financiers" was seeking to force him out as Secretary of War because he opposed "stripping our defenses to aid the Allies."

The Cabinet officer, who resigned suddenly today to make way for President Roosevelt's appointment of Henry L. Stimson, a Republican, made his assertion June 1 after his arrival to receive an honorary degree from Washburn College, the paper said.

It added that Woodring asked that the statement not be published until after his resignation.

Now, quoting Mr. Woodring:

"I'm an advocate of adequate defense, but I will never stand for sending American boys into Europe's shambles," the former Kansas Governor was quoted. "There is a comparatively small clique of international financiers who want the United States to declare war and get into the European mess with everything we have, including our manpower."

"I'm not going to stand for it, and I'm not going to resign until forced to do so."

"They don't like me because I'm against stripping our own defenses for the sake of trying to stop Hitler 3,000 miles away. Eventually they will force me to resign, and I'll be darned glad to come back to Kansas, where the people have their feet on the ground and are not easily swayed by demagogues and subtle propaganda."

Then in parentheses:

(The White House yesterday declined to make public Woodring's letter of resignation, declaring it was "too personal.")

Of one thing I am absolutely confident, namely, that letter of resignation recited what, in effect, is reported in this dispatch from Topeka, Kans.; and, Mr. President, when the Military Affairs Committee of this body conducts its hearings upon the candidate whose nomination has been sent here to fill Mr. Woodring's place, I shall be much surprised if Mr. Woodring and his staff, placed upon the stand and asked the proper questions, do not reveal that, among other things, the Secretary of War has been required or asked to accomplish is the surrender of national defense secret No. 1, that all-valuable bomb sight, which every Member of the Senate for

months has been assured was being guarded with the utmost secrecy.

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

The PRESIDING OFFICER (Mr. ELLENDER in the chair). Does the Senator from North Dakota yield to the Senator from Minnesota?

Mr. NYE. I yield.

Mr. LUNDEEN. I wonder if it is safe to assume that in the small clique of these international bankers there would be found Mr. Morgenthau, Secretary of the Treasury. Perhaps his guide and mentor would be Bernard M. Baruch?

Mr. NYE. It does not matter particularly who is found there. If it be Mr. Morgenthau, it should be remembered by us all that Mr. Morgenthau is only doing what the Commander in Chief has asked and required him to do. I am sure that the President of the United States will not run away from a responsibility which is his simply because it may ultimately be found that an ambassador of his choosing or a Cabinet member of his choosing has done things that finally are proved to be unpopular. But I am sick and tired of listening to attempts to place the blame upon officers in the Army and in the Navy who have only been doing what the Commander in Chief required them to do.

I share the sentiment of those who have so eloquently portrayed the need for national unity, and I will go the full route in the accomplishment of national unity if by it is meant national unity for the security and safety of these United States of America; but if "national unity" means that every one of us must stand by and support the very definite policy of this administration of intervention in Europe's war, then, I say there will not be any so-called national unity.

It is also said, with great force and conviction, that we must not permit politics to play any part in our consideration in these hours. No, not as respects national defense and national security, but if there be politicians in this country who are going to make intervention the American policy, then, I say others are entitled to speak upon that subject, even though it be a political issue.

There is not, of course, any politics in the appointment of the two gentlemen who were recently named to the Cabinet of the President of the United States. Two or three months ago there was talk of the possibility of the appointment of Colonel Knox. The appointment, I presume, was not made then because it might have been considered political. The appointment was delayed until the opening of the Republican national convention, to avoid there being any ground whatsoever for a charge that there was a political consideration involved in these appointments.

I want to join, Mr. President, with those who have already given notice of their determination to give battle to the confirmation of these particular appointments when confirmation is asked of the Senate, and, so that the record may be very clear in that regard, I desire to repeat the suggestion I have already made, that the Military Affairs Committee not overlook its duty, its responsibility, of calling the retiring Secretary of War, and, if need be, the General Staff of the Army, to ascertain whether or not the resignation of Secretary Woodring is not directly traceable to his refusal to append his signature to orders surrendering some more of our national-defense preparation, and, specifically, as to whether or not this great secret of our Military Establishment, the bomb sight, was not involved in that consideration.

Mr. President, I do not care about the political tinge, or the political label of Mr. Knox or of Mr. Stimson. Let them be Republicans or let them be Democrats. At this moment that is not a consideration that I care a hang about; but I do care that in an hour such as this there have been sent here the names of two men for places in the Cabinet of the President of the United States, the two most important military stations, the names of two men who are avowed interventionists, the names of two men whose utterances have been so definitely and directly in support of American pursuit of a policy that might most readily land us in the middle of the European war. We do have a right, Mr. President, to be concerned about those appointments. I am rather disgusted

when I hear men say "Well, if the President wants this man or that man in his Cabinet, who are we to say 'yes' or 'no' to him? He is entitled to whomever he wants."

Of course, I suppose some will argue it is in thorough keeping with the Constitution of the United States, which saw fit to give the Senate a voice in determining who should and who should not be within the President's Cabinet.

Stripping our defense, in the name of national defense, a little here and a little there. Oh, it was not going to be much to begin with, but I wish the Senate to remember that the first inkling we had of the policy which was being pursued by this administration came about by reason of an airplane crash in California when a Frenchman, secretly buying planes of American production, met up with that accident. "This is not serious," we were told at the time, "only a few planes are involved; it will not interfere with our defense; no one is going to let it stand in the way of any American orders for airplanes. Do not let this alarm you." That is what we were told then, but we have seen what has happened since; more and more and ever more, until within the ranks of our Military Establishment leaders tremble for fear of what might be our lot if a war were forced upon us on this side of one or the other of the two oceans.

Mr. LUNDEEN. Mr. President, will the Senator yield at that point?

Mr. NYE. I yield.

Mr. LUNDEEN. The Senator speaks of the French observer or expert who was in the plane which met with accident in the West. That man's activities may have some connection with the 400 completed planes reported in today's press as having fallen into the hands of Hitler's army; and there is a dispute as to whether 2,000 motors or 20,000 motors also fell into German hands; there may be a difference of a zero in the dispatches. It is, in fact, reported that at least 2,000 complete motors, with plans for installing them, fell into the hands of Hitler's army. This may all have come out of the activities of the one French expert discovered in the plane accident in California.

Mr. NYE. Mr. President, speaking for my own part, it seems to me it does not matter whether the number was 20 or 2. It all comes to the same thing; and I am very happy that the Senator from Minnesota saw fit to have incorporated in the RECORD today the evidence which he has placed there.

Does it occur to Senators what a terrific power accrues to a President of the United States who first of all will declare an emergency to be confronting the country? First of all, he, and he alone, shapes the foreign policy of these United States, which in itself is a tremendous power. It is the power—if it is desired to carry it far enough—to make war.

A very splendid work recently done by that most eminent historian of our times, Charles A. Beard, entitled "A Foreign Policy for America," in that respect has said:

Fraught with peril in itself, official foreign policy is always conducted by a few persons. It is well within the truth to say that the lives, the liberties, and properties of countless millions are today within the keeping of 10 men. In this respect democracies may differ little from dictatorships. Of necessity, foreign affairs in all countries are usually secret. In democracies as well as dictatorships two or three men, even one man, may make decisions, magnify incidents, create situations in which the nominal power of popular legislature to declare war becomes an empty form, and the power of the press futile.

And so it is, Mr. President. While we may feel very secure, since the final power to declare war rests here with us, no one will deny that it is within the realm of possibility for a Chief Executive so to shape a foreign policy that he one day confronts the legislature with circumstances which that policy has invited, and virtually leaves the legislature with no alternative other than a response to the request of the Executive for the declaration of war to which his policies have led.

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

Mr. NYE. Just one moment.

Mr. President, add to that power the power of dictating our foreign policy, and add to that power the power which goes to the Commander in Chief of our Army and Navy, and let it be exercised as it has been exercised in support of a

foreign policy made by one man, and who are we to stand and shudder about a dictatorship which may some day be fastened upon us?

Mr. President, I am going to say this afternoon things that I have hesitated a long time to say; but they are things that had better be said now, lest we surprisingly reach the hour when it is not going to be the smart thing to say even things approximating what ought to be said now. But in what I shall say I insist I have prepared my words with care. I am wholly unafraid of any kick-back that might result from what I am to say this afternoon; and in what I say I pray that the Members of the Senate will not let there be read into my words the least bit of sympathy for the cause of Adolf Hitler or the cause of the Italian Duce. The whole interest to which I devote myself in this hour is the interest of my own country; and if a man cannot be pro-American without being pro-British or pro-French, or pro-something else, it is a sad state of affairs.

Mr. HOLT. Mr. President—

Mr. NYE. I now yield to the Senator from West Virginia.

Mr. HOLT. History records that countries may get into war without declaring war; that it is possible for one country to provoke an incident as a result of which another country declares war on it. That is the very great danger today—in other words, provoking incidents abroad which will cause other countries to declare war on us.

Mr. NYE. Quite so. I think the Senator from West Virginia and I are in entire agreement that our country already has taken steps which have been somewhat accepted in some foreign countries as being steps of war on our part. They are inviting retaliation in the way of words and language which all but constitute declarations of war against us in retaliation.

Mr. President, this is most definitely not the time to be equipping, as some of our colleagues would equip, a ship of dictatorship for a President who has brought the United States to a perilous situation or even a crisis. The Senator from Florida [Mr. PEPPER] a few days ago rose here in his place and laid down a program, the whole program being nothing less than the assignment by the Congress of the United States of its powers into the hands of the Executive. The Senator from Florida was advocating, by his recommendations, a complete dictatorship.

This is not the time to be responding to prayers of that kind, for this is a real crisis to which the Executive has led the United States and its 130,000,000 people. To the contempt of the totalitarian states—which we already had anyway, and about which I care nothing, for I care not a continental what they may think of our way of living, which, after all, is ours, and which we intend to preserve if we can—to their contempt we have deliberately added their avowed hatred at no profit to ourselves and at less profit to those whom we talked about saving from their threatened wreckage. Worse than that, we have brought upon ourselves the suspicion and the growing hates of European democracies which the Presidential policy has sought to aid. They, too, are beginning to hate us, and they have some reason to hate us.

Rather than devote a single thought to the granting of Hitler powers to the President, we shall do exceedingly well to realize that we may have to live with a new Europe one of these days—a Europe which comes once again out of the age-long wars there for dominance; a Europe with a changed dominating power. We shall do well to realize that we have to find ways to try to get along with a new order on the other side of the world, by chance; an order we may not like, but an order which may last, like it or not, whether it lasts long or lasts only for a limited time, depending upon the will of Europe itself.

Accepting what may result in Europe, it is high time that we faced the truth. Our President, however heavily armed with dictator powers, can never, never, never hope to win for these United States the confidence which has been surrendered by him in his conduct of our foreign policy during these months of European threat of war and the conduct of the war itself. Germany and Italy hate us with a depth that

knows no bottom because of pronouncements by American officials, name calling, and helpful steps to their enemies in this war. England and France are going to hate us with equal or even greater depth unless we do now what we are not going to do—namely, adopt as our own their bankrupt war. Already there are signs of this, notably in France, where there is increasing feeling that the United States helped England and France into this war, helped them out on a weak limb, and now decline to do what they were led to believe we would do. There is feeling that we have not lived up to our commitments.

Commitments? If there have been understandings or commitments to France and England, they are to be found in the open record of Congress of the steps short of war voted by Congress to help them; and they will be found, if not there, then in the closed record of diplomacy by the President and his ambassadors. Surely the steps taken by Congress, however unfortunate they may have been, like the repeal of the arms embargo, have not at any time carried any assurance, or even an implication, that we might go to steps further than those short of war to aid them.

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

Mr. NYE. I yield.

Mr. LUNDEEN. I regret to say that I am certain that commitments were made by the administration, by our ambassadors, and by our State Department which led these foreign countries to believe that we are going to back them up. Why did they do that? What were they thinking of, America or Europe? Are they or are they not American officials?

Mr. NYE. I think we all entertain the same feeling of regret over what we are driven to conclude and driven to see day after day, and what I am afraid we are going to see in a most humiliating light at a very early hour.

Getting back to my line of thought, if we are to be hated by those our policy has sought to help, and hated by Germany and Italy as well, we can place the blame for it only on the administration of President Roosevelt, whom some would now cloak with the powers of a dictator to combat the forces of opposition which that President himself has in large part created.

In this administration's conduct of our foreign policy the United States has been caused to abandon its policy of non-intervention and accept in its place one of any-and-all-steps-short-of-war in aid of a European cause. This departure in policy has been taken, too, by one who was elected President as a noninterventionist, even as an isolationist.

The cause of isolation is said to have been proved a failure. It has not been given a chance during this world emergency even to be tried as a policy. Even laws intended to strengthen the isolation policy have been set aside at the request of or ignored by the President. If isolation has failed, it has failed only because it has not been tried under fire. But the cause and wisdom of isolation will again be recognized, it will be honored, it will be praised as never before. Indeed, it is fast on its way back as a policy that can best save America from misfortune, perhaps from disaster.

What is isolation? It is nothing more than nonintervention in other nations' wars. President Roosevelt a few months ago, while he was still an isolationist, clearly defined isolation with these words:

We are not isolationists except insofar as we seek to isolate ourselves completely from war.

Mr. President, it was before the last election that that definition was given. "We are not isolationists except insofar as we seek to isolate ourselves completely from war."

About the same time the President was also telling how to accomplish this isolation. He said:

We can keep out of war if those who watch and decide have a sufficiently detailed understanding of international affairs to make certain that the small decisions of each day do not lead toward war and if, at the same time, they possess the courage to say "no" to those who selfishly or unwisely would let us go to war.

Dr. Charles A. Beard, in his very recent work on a foreign policy for America, has found and reported the clear mind of

Henry Clay on the question of American foreign policy. He, too, believed in isolation. Clay had been approached in support of "material aid" for Hungary in her conflict with Austria. Clay's response was that by giving official aid to Hungary we should abandon "our ancient policy of amity and nonintervention" and that by taking such a step we would also justify European monarchs in surrendering their policy of forbearance, and in turning upon us in an hour of weakness and exhaustion for the purpose of crushing us "as the propagandists of doctrines destructive of the peace and good order of the world." Clay went on to say:

By the policy to which we have adhered since the days of Washington * * * we have done more for the cause of liberty in the world than arms could effect; we have shown to other nations the way to greatness and happiness. * * * Far better is it for ourselves, for Hungary, and the cause of liberty, that, adhering to our pacific system and avoiding the distant wars of Europe, we should keep our lamp burning brightly on this western shore, as a light to all nations, than to hazard its utter extinction amid the ruins of fallen and failing republics in Europe.

What prophecy! What prophecy of this very hour! If ever there was reason to cling to the policy of isolation, if ever we needed to avoid hazarding the cause of liberty to "its utter extinction amid the ruins of fallen and falling republics in Europe," that time is the present, as we witness those European republics falling.

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

Mr. NYE. I yield.

Mr. LUNDEEN. I wonder whether the Senator can recall a single outstanding statesman in American history, from the founding fathers who established this Government down to the present, who pursued any other policy than the one just quoted. The statesmen of our country stood boldly for the Washington-Jefferson-Jackson-Henry Clay policy, the policy which carried America onward to glory and greatness, to America's role of nonintervention in the quarrels and boundary disputes of Europe.

Mr. NYE. Mr. President, it would seem that a close study of our history must of necessity reveal that here and there have been real, genuine patriots who have not heartily agreed with that particular policy.

Mr. LUNDEEN. Can the Senator name one?

Mr. NYE. I cannot. I was about to say that, on the whole, I should be utterly unable to name one were I required to this afternoon.

Mr. President, this administration abandoned isolation, abandoned the cause of nonintervention—threw it out the window—departed from the policy which great Americans praised from the very beginning of the days of these United States, and adopted in its stead a foreign policy which leaves in its wake a mess, a mess for whatever part of Europe is tied to it, and a mess for our own country, if not disaster.

But this is not the time for recrimination, I dare say. It is not the time to be pointing out how the laws of the United States have been nullified, how the laws of the United States have been ignored and violated, as we have heard discussed here for hours this afternoon. This is hardly the time, perhaps, to be talking about those things. This is a time to be talking about our own danger, the danger which the acts of this administration have brought to this country. We can pass by any possible argument about any wish or any effort to get us into war. Far worse than trying to get us into war is any effort to get us into a lost war. It is not a choice between war and peace we have to worry about at the moment. It is worse; it is defeat, for it is our foreign policy that has brought disaster upon France. I repeat that it is our foreign policy that has brought disaster upon France. To continue now that same policy, directed by the same administrator, is to risk disaster ourselves.

What, after all, has been the substance of the President's policy? Simply put, it was "help as needed" for the Allies. From the very beginning it was obvious that this could work out only with a generous allowance of time. As it proved, the time was insufficient so far as France was concerned. But England still remains, and the President's policy still remains.

For that reason, if for no other, we must stay in session—not to keep peace or avoid war, dear though those causes may be to Americans. Dearer yet is our country, and we cannot see it carried by the President's policy to where he—and he above all others—has carried France.

What has really happened, not alone in these last terrible 5 weeks but in the months of war since September and in the months of nominal peace that preceded them? We do not know all the facts, of course. Many of them are the most guarded secrets of the administration. But we do know some, some that are the most vital, and we can form a shrewd estimate of the others. If we had the time and the security, we could sit back and wait for the academic analyses of the documents yet unpublished; for the military reports still to be made. But we cannot wait for the future, because the future itself will be made by what we do now.

One thing seems certain. The President promised military support to France. That, to my mind, is beyond question. I do not know in what form that promise was made. I do not know whether it was by telephone, by personal word, by letter, through Mr. Bullitt. I do not know the mechanics of the promise. I do not know its phraseology. It may have been guarded language, to use now as an escape. It may have been "weasel phrased" or "mealy-mouthed." But whatever it was, it convinced the French Government, and that is what counts, and at this moment it is all that counts.

How am I certain such a promise was made? By open newspaper reports and by the logic of events themselves, to begin with. Above all, I can read no other conclusion from a statement of the French Government itself on Sunday just before the new Cabinet was set up.

On Sunday the French Government's official news communique stated that in view of the changed situation brought about by the President's cable to Premier Reynaud they would have to reconsider their position and the wisdom of going on with the war. And what the President had said—the only thing he said that produced a changed situation—was that he, the President, could not himself declare war.

Mr. CLARK of Missouri. Mr. President, will the Senator yield?

Mr. NYE. I yield.

Mr. CLARK of Missouri. Does the Senator attach any importance to the fact that the American Ambassador to France, Mr. Bullitt, instead of his path of duty, which was to accompany the French Government when the French capital was moved, remained behind to burn all the diplomatic correspondence in the American Embassy, even including his code books, as reported by the public press?

Mr. NYE. I was not aware to what extent that had been practiced. The Senator from Missouri would be a most genuine authority upon that point.

Mr. CLARK of Missouri. I do not profess to be any authority on the matter. It has been reported in the public press that Mr. Bullitt burned all the papers in the American Embassy, even including the code book.

Mr. NYE. I understand there was some evidence by Mr. Bullitt that was not burned—unfortunately, perhaps.

Mr. LUNDEEN. Mr. President, I will say to the Senator, if he will permit, that there is plenty of evidence not destroyed and still existing which may soon be discussed on the floor of the Senate. Our diplomats—often referred to as diplomats—are getting all tangled up in their own cobwebs of European and world intrigue.

Mr. CHANDLER. Mr. President, it has also been reported in the public press that when the city in which they were located was about to be taken ambassadors representing other countries burned their papers also.

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

Mr. NYE. I yield.

Mr. HATCH. I have been listening to the Senator, but he made some remarks just now which I did not catch. He said something to the effect that something was not burned. I want to know just what the Senator said.

Mr. NYE. I remarked that I was afraid that perhaps there was some evidence that Mr. Bullitt had not burned.

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

Mr. NYE. I yield.

Mr. BARKLEY. Is that not an indication that the Senator hopes he was burned?

Mr. NYE. Oh, no, Mr. President. The Senator has misunderstood me.

Mr. BARKLEY. I thought the Senator said that he had expressed some fear that the Ambassador had not been burned. I wondered what he really meant.

Mr. NYE. No. There were some documents which had not been burned.

Mr. BARKLEY. Oh. I did not want to misunderstand the Senator.

Mr. NYE. I am sure the Senator from Kentucky did not.

Mr. President, I now go back to my line of thought. The only thing the President had said that had produced a changed situation was that he himself could not declare war. The President's statement, to begin with, was unnecessary so far as the surface of events went, but the revealing phrase was that of the French Government that "a changed situation" was causing the French Government to reconsider its whole situation with the idea in mind of determining whether or not to go on with the war.

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

Mr. NYE. I yield.

Mr. HATCH. I am trying to get the Senator's thought, and to find out to my satisfaction—

Mr. NYE. Mr. President, it is very difficult to hear a Senator across on the other side of the Chamber, even one who speaks with as clear a voice as does the Senator from New Mexico.

Mr. HATCH. I merely wanted to know upon what ground the Senator was basing the grave charges which he brings today. I think the things he has stated, charging almost treason against the Chief Executive of this Nation, are most grave. I wanted to ask if the Senator had not thought, in connection with what he was saying, that an appeal was made to the President by Premier Reynaud just before that cablegram was sent.

Mr. NYE. I am quite willing that the RECORD should reveal that an appeal for additional help had been made by the French Premier, to which the President responded with the message that caused the Government of France to reconsider its situation.

Mr. HATCH. Mr. President, will the Senator again yield?

Mr. NYE. I yield.

Mr. HATCH. I merely wanted to say that I also read the appeal of the Premier of France, and I thought the reply of the President was called for by that appeal, and I was very glad when he stated as he did state, that there was no power to declare war except in the Congress of the United States.

Mr. NYE. Mr. President, once again I try to get back to the thought that I was pursuing—the President's statement about his not having the power to declare war. It was quite unnecessary, so far as the surface of events went, but the revealing phrase was that of the French Government—"a changed situation" occasioned by this cablegram from the President of the United States. It was an unmistakable statement that when the President told France last week that he could give no military aid, he thereby changed a situation. Obviously, then, at some earlier time, in some manner, he had indicated that military assistance would be forthcoming from the United States.

Mr. BARKLEY rose.

Mr. NYE. I do not yield now, Mr. President. I shall yield when I finish this particular argument.

Under what circumstances and at what time we cannot know yet, but the French appeal for aid last week indicated clearly that France desired military assistance, and felt entitled to ask for it; and when that assistance was refused by the President, France found herself in "a changed situation," and felt required to surrender. Why? In my opinion, sim-

ply because a promise of military support, which the President had given her before war started, could not be kept when the terrible moment to keep it arrived.

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

Mr. NYE. I yield.

Mr. PEPPER. I have always appreciated the close logic of the able Senator from North Dakota. If I understand him correctly, the message of the President of the United States advising the French that war could not be declared without the consent of the Congress was what caused the changed situation? Is that correct?

Mr. NYE. That, confronted by this reply from the President of the United States, the French Government faced a changed situation.

Mr. PEPPER. Mr. President, will the Senator yield further?

Mr. NYE. I yield.

Mr. PEPPER. That implies, I assume, of necessity, that the French did not know until that time that it took the Congress of the United States to declare war on the part of this country?

Mr. NYE. The President must have thought that they did not have such an understanding there, else he would never have been required to state in his message that he did not have power to declare war; that that rested with Congress.

Mr. PEPPER. Mr. President, will the Senator yield further?

Mr. NYE. I yield.

Mr. PEPPER. Does the Senator from North Dakota think that the French Government, with an intelligent Ambassador, and a counselor staff in this country for years, was not informed about that fact, when they sit in the galleries here day by day and hear the debate? Does the Senator think that the French Government needed that assurance from the President?

Mr. NYE. I agree with the Senator that it is preposterous that any French official could have been without knowledge that in this country of ours the power to declare war rested with the Congress and not with the President.

Mr. PEPPER. The Senator is not now talking about French public opinion, but he is saying to the country that the French Government, the Premier and the Cabinet of France—supposedly, at least, intelligent people—had to have the statement of the President to tell them that only the Congress may declare war; and yet the Senator says that it was after they received that information in that way that a changed situation took place.

Mr. NYE. The President seemed to think that that was necessary, and incorporated it in his message. For what reason I do not know.

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

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

Mr. BARKLEY. Does the Senator say or assume—I do not want to misunderstand him—that the mere fact that the President, in the message to which the Senator is now referring, stated that he could offer no military aid, is proof, or even an indication, that at any time previous to that the President had indicated to France that he could offer military aid?

Mr. NYE. I think it is at least an indication.

Mr. BARKLEY. Upon what does the Senator base his opinion that it is an indication?

Mr. NYE. If the Senator will allow me to go on, I shall answer that question.

Mr. BARKLEY. It might as well be said that because I say today that I am hot, it necessarily follows that yesterday I was cold. The mere fact that I make a statement of a present situation certainly does not indicate that the contrary was true at any other time. It may be that the President was not only informing the French Premier, Mr. Reynaud, that he could offer no military assistance, in addition to the fact that he could not declare war, but that he wanted to be entirely frank, not only with the Premier but with the French people, when he stated to them that he could

not and did not hold out any hope that he could give them military assistance.

Mr. NYE. I hope the Senator and the Senate will permit me to conclude my argument on this particular point. Then I shall be glad to stop and argue on what was or what was not done or intended to be done.

Of course, Mr. President, the promise of military aid could not be kept when France asked for such aid last week. The President knew that not only was there little or nothing to deliver in the way of armaments, but that he could hardly get a declaration of war through Congress, at least so early as this spring or summer, if ever. He always knew that; and obviously he never intended to try for a declaration of war at this stage.

That was not on his timetable when he made his promise of military support to France something like 9 months or a year ago. The declaration of war was not to be needed from Congress until this fall or next winter, with the psychological ground properly prepared in this country. But, alas for the President, the military events took no account of his timetable; and the nation to which he had promised American military support found herself suddenly in desperate need of support months before the experts had figured she would require it. Of course the President could not deliver it. He had not even his arms organized, or a Congress willing to put through a war declaration, or a people willing to back it, fight for it, and die for it.

Mr. President, before I go further I should like to read a paragraph from the dispatch of Arthur Sears Henning of June 17, under a Washington date line:

It already is known that Bullitt promised the French that the United States would get into the war if necessary to defeat Hitler. It was to ask the President to make good on this assurance that Lord Lothian, the British Ambassador, and Count de Saint-Quentin, the French Ambassador, called on Mr. Roosevelt last Saturday. They asked him to come through with the promised declaration of war.

Mr. Roosevelt could not deliver. He was compelled to say in his cable to Premier Reynaud that only Congress can declare war.

One week ago yesterday an individual whom I shall under no circumstances compromise came to my office and wrote a memorandum. I could not doubt this man for 1 minute. In his memorandum he said:

It was known—

Remember, this was before the French surrendered—

It was known that France might definitely give in within 10 days, and that when it did the Government of France would release a letter from Bullitt, written on orders of Roosevelt, to Daladier, dated last August or September, stating the full support of the United States if it went to war against Germany on the basis of the Polish incident.

Three days later the editor-in-chief of a most eminent American news service, in a confidential letter to the editors who subscribe to his service, in a release of June 18, had this to say:

Unless combined pressures are effective in changing Premier Reynaud's plans, he will drop a bomb soon with repercussions which may reach far over here. The expected separate peace to be made by the French will call for certain categorical explanations. These will include, according to a trustworthy report from France, the releasing of a letter written by Ambassador Bullitt just before the war started, giving the French assurance of our full cooperation with them if they would support the Poles.

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

Mr. NYE. I shall be glad to yield in just a moment.

Mr. President, take all these things in combinations and then look back over the whole performance. Before the war started the President of the United States, by act and by innuendo, made himself the leader of the "no more Munichs" group. His Ambassador to France made a public speech to all intents pledging American aid. He was never reprimanded. Although the question of possible promises has been raised many times since, as well as the question whether Bullitt made private statements to French officials spelling out in detail what he meant by his public speeches, he himself has never answered the question, and has taken particular care to avoid having to answer it. The Senate will not

quickly forget how Mr. Bullitt made his get-away from these shores last winter when the Senator from North Carolina introduced his resolution asking the Foreign Affairs Committee to inquire of Mr. Bullitt while he was here whether or not any commitments had been made in the name of the American Government. If I am not mistaken, the very next day after the introduction of that resolution Ambassador Bullitt was on his way to Europe. Yet, Mr. President, some such commitment of military assistance was made, or the dispute over Danzig and the Corridor would have led to quite a different result than has been reached.

It was no secret that there were many men in the Government and in the Army—above all, those in France—who knew that France was woefully unprepared in comparison with Germany, and that the war would be most perilous, however difficult and humiliating surrender to Germany on the Polish question would have been. But it is now obvious that the President was adamant. He would have no more Munichs, even if neither the United States nor France nor England—nor, as it turned out, all three together—were sufficiently armed to do anything else. So it is now apparent that he threw support to the war party in France in the form of some sort of promise of military assistance if—or rather when—it would be needed. It is quite clear that this happened. We know it now from Sunday's communiqué of the French Government itself; and we must see it also perfectly and clearly in the pattern of the events of months.

I now yield to the Senator from Florida, if he wishes to delve further into this particular question. I declined to yield to him a moment ago because I wished to complete the thought I was then presenting.

Mr. PEPPER. Mr. President, I ask the Senator, if he assumes that the American Ambassador, Mr. Bullitt, made any commitment of military aid to the Republic of France at an early time, as the Senator has indicated, does the Senator think that if the French Government had taken any such assurances seriously, if made, it would not have sought some sort of confirmation in Washington, where the French Ambassador resides, where he has entree to the State Department and to the President, and where he may come and hear from the gallery such eloquent speeches on isolation as those delivered periodically by the able Senator from North Dakota and others? Does not the Senator think that the able addresses by the Senator and by others would at least have made the French Ambassador in Washington curious enough to want to have a little confirmation of the assurances which the Senator says were made?

Mr. NYE. Most definitely he would; he got it; and we afforded that confirmation, as I shall reveal to the Senator in a moment.

Mr. PEPPER. The Senator's point is like a fly that he is continually losing. He goes around slapping at it, but he seldom catches it. When is the Senator going to swat the fly? [Laughter.]

Mr. NYE. I hope the Senator from Florida will hang on to his swatter until the Senator from North Dakota lets loose the fly. [Laughter.] The Senator from Florida is anticipating, or trying to anticipate, what I am going to say; in this particular case his anticipation has been with some cause, and I tell him the fly will be over that way very shortly.

It is obvious, to begin with, that the Governments of France and Great Britain and their generals and admirals were neither completely feeble-minded nor completely ignorant. They made errors, but they alone made no such blunder as the present situation would indicate. Like the President, perhaps, they went wrong on their time scale and wrong on promises of people who had no right or power to promise.

The military leaders of France and England knew, as everyone else knew, that the Germans were superior to them in planes and tanks, and they would never have risked war, humiliating though a Polish diplomatic defeat would have been, if they had had no offset for the German superiority. They got what they thought in time would prove such an offset—American support. They were wrong, but their error was understandable.

Let us try, for a change, to forget the confusion of newspaper accounts, the distortion of mutual propagandas. Let us attempt simply to review the events, political and military, of this war to see, as a soldier might try to see, what has happened, what was planned to happen but did not, and what may still be in store for us.

When the question of war over Poland first emerged as a possibility a year ago, the Allies knew that if they chose to fight there would be hard months of apparent defeat in the opening phases of the war. But they estimated they would be able to stabilize the situation, as they themselves termed it; that is, to turn it into a war of position, where their superiority in ships, heavy artillery, and resources—above all, American resources—would gradually turn the tide. They knew they could not defeat Hitler in the field, but they figured they could hold him, and then, after he had been strangled awhile by blockade, they could take the offensive and win.

They realized, however, that there was one flaw in their position: The process of holding the Germans in the beginning might prove so costly in men and materials that they would lack the military strength to defeat the Germans even after the blockade had demoralized German economy. Was it this flaw that the President agreed to take care of? How can we conclude otherwise in the light of events?

As I have said, I do not know in what form that agreement may have been offered. It could even be of no moment whether the President himself realized he was making it—though I believe he did know. In any event, they believed he had done so, which is what counted. And, indeed, if the Allies had actually misunderstood some private communication, certainly nothing in the President's public words or in his actions could have led them to suspect it.

The program can be clearly seen now: The Allies were to go ahead and take what punishment the Germans could give them. Meantime, of course, they were to have exclusive and cooperative access to our resources. Then in 18 months or 2 years, if the strain of holding the Germans had proved too costly, American manpower was to tip the scales. And so, obviously, it was arranged, and, with the President's approval—if not, indeed, at his urging—Poland became, not another Munich but the occasion for a vast war.

I speak of the President's program and acts. Perhaps I would better speak of them as the program and acts of Ambassador Bullitt in the name of the President. But, after all, the responsibility is that of the President.

In short, we see what was to be the pattern of the World War all over again, only this time sensibly planned far in advance instead of left to the hazard of events. The President never was in sympathy with the Wilson policy of 1916. The whole thing was to be the World War, not just in political strategy but in tactics as well. The Germans were expected to attack as they did in 1914, as anyone could see that sooner or later they would have to, before they lost what military advantage they had. Then the attack was to be checked—at some cost, to be sure—and the front stabilized. Then would begin the artillery duels, in which the Allies expected to have the edge.

But events moved too fast both for the Allies and for the President. When the Germans struck, they struck with more force than the Allies had figured they could muster. Above all, they struck in a way the Allies had not expected. The Allies and the President were planning the World War, not only in relation to us but in relation to the battlefield. But the Germans were fighting this war, not the last one. The Allies expected and prepared for the famous Schlieffen plan, the great right hook to encircle Paris, with containing armies dropped off along the way to hold the still unsubdued remnants of the Dutch, Belgians, and British. Instead the Germans used a left hook. They did not, as expected, hinge in the south and swing toward Paris with their right. Instead they hinged in the north and swung for the Channel with their left, dropping off containing armies to hold the unsubdued French. They put their strong forces where the Allies were weak, and the strong forces of the Allies were flanked

before they could even start fighting. And then followed Dunkerque and the colossal military disaster.

The awful defeat in Flanders must be understood, or we miss the role of the President in this situation. No such rapid German victory was estimated, or could have been estimated. In fact, it probably could not have been attained at all merely on the basis of superiority of weapons alone. To win with such speed required even more, required the tactical factor of Allied error in the battle of Flanders, which is the stuff of war to be sure, but which could scarcely have been foreseen either by the President or by the Allied commanders.

Yet once that battle had been fought, the whole picture was changed. We felt it on every hand here in our own country. The demoralization of the Allied armies and the immense loss of supplies and weapons left the Germans in a vastly more powerful position than they enjoyed on the 10th of May, when they invaded the Low Countries. It assured that the German timetable, not that of the Allies and the President, would prevail.

I repeat, it is necessary to keep in mind the consequences of that battle. Otherwise, the President's policy appears not only illegal but idiotic. No man in his senses would figure on extending long-term aid in a war that can last only 5 weeks. It is nonsense. The only period of time over which our aid could have been effective to France was far longer than 5 weeks. So we know for certain that the term of the war was supposed to be far longer than it has been. Correspondingly, we know that the crisis in the French military situation was expected to come, if it came, far, far later than it did. So we can see that the promise of military support, to be given when that crisis arrived, seemed a safe and reasonable procedure.

Now, in fact, that promise of military support to be given at a period still in the distant future not only seemed a reasonable procedure to the President, but in fact would have been so, if only Flanders had been a victory or at worst a stalemate, if the Germans could have been knocked off their timetable and forced to use that which the Allies and we were using; for by next winter, if the French military crisis had been delayed until then, military support from us would have been entirely possible.

We have suffered a humiliation in foreign affairs the like of which has never happened in all the history of these United States.

Our President, on his own responsibility, by private assurances, may have encouraged a great and friendly power to ruin. Does France stand today in all her loss and destruction, all her black and unknowable future, because her government trusted in the word of the President of the United States—a word he had no right to utter and no power to back, a word as unlawful as any deed a President could commit?

I know we shall be told by certain columnists of the press that it is not Roosevelt who led France to her ruin. I know the pattern that will be set and repeated, to drown out in the sheer tonnage of newsprint the bitter facts of this disaster. It will be the isolationists who are to blame. They did not back the President's "stop Hitler" policy, it will be said. With what did we not back any policy the President has legally followed? Have 30 votes in the Senate paralyzed the Government of the United States? With what was the President going to stop Hitler that we have injured? Have we voted down one ship or one plane? If we had not existed at all, if he had been in fact the unchecked designer of our foreign affairs, could he have raised an army since September? Could he have had transports for it? Could he have landed it today in the shattered harbors of western Europe?

Consider again the fight on the arms embargo. What was said then, over and over? And who, as it turns out, were the friends of shattered France? Over and over it was pointed out that repeal of the embargo was a symbol, and was meant as a symbol, and would be taken as a symbol.

And was it in fact anything else? Recall the circumstances. The war in Poland was over. Peace was possible—not a favorable one for the Allies, but not such a peace as the one now available. It was at that point that the Presi-

dent used all his powers of persuasion and pressure to get through the repeal of the arms embargo. Why? Certainly not to send arms—not then; they were not thought to be needed—and in fact it was not until the Allied disaster in Norway that there was any substantial export of munitions to the Allies. Why, then, a repeal of the embargo at the special session? Solely as a symbol. We can easily imagine the nervousness of the French, not by any means a nation of feeble intellects, after the Polish war showed something of the power of the German Army. They had the President's assurance that we would aid them. But the French, too, can read the Constitution of the United States. They, too, know that by law only the Congress can declare war. Before they embarked their country on the risks of a total war with Germany—for the French, too, love their country—did they insist on concrete evidence that the President could make his commitment good, could show them that on foreign policy he had an obedient Congress, one that in the right time and right circumstances would declare war at least as willingly as it repealed the embargo? Did they get that evidence?

And now shall we go on, with more deception, to further disaster? Will the destruction of France be insufficient to show the American people where the policy of the President leads? Will we allow him to lead us, too, into the position of France? Or shall we recognize that we, too, have been defeated; that we utterly lack the power to carry out the President's grandiose schemes?

It is no longer necessary to discuss at all the morality or long-term wisdom of these schemes. It is not even necessary to ask the American people whether they desire to carry them out. We cannot carry them out; that is all. We have not the arms, and we cannot make the arms in time, to play any role at all in this war. It will be altogether hard enough to assemble the men and the arms that we need, and need desperately, if called upon to defend ourselves here in America against the European victors, the danger of which I believe we can ourselves reduce.

Will it now become our policy to encourage England, and cause her to believe that we shall rally for her what we could not and did not rally for France? Will the President cause that belief? If he could deliver, it might be a good idea; but he cannot. We need only to look to the facts. In a few days the whole south coast of England is apt to be as unusable for British merchant ships as the east coast now is. What seaports then will be open? Only three of any consequence—Bristol, Liverpool, and Glasgow. Aside from sinkings at sea, how long can supplies be brought in after the docks of these three ports are blown up under concentrated air raids? Will the British then land their oil and food on the beaches of Wales? And how long will the British Air Service last when the Germans turn on it the treatment they have given the French, bomb the airfields of England as they had not yet done, and count off, as they have not yet done, a definite number of their own planes to be lost in destroying the British air bases?

And the fleet: Suppose airplanes cannot sink battleships. Still, the British admit airplanes can sink cruisers and destroyers. So when the German aircraft have sunk the British cruisers and destroyers, then the German submarines and destroyers can sink the battleships. And how effective can a fleet be under those circumstances? Can it both defend England and blockade Germany? Failing to do either will surely lose the war.

I should like to see a brighter prospect for England. I hope she may be able to resist the force that has already crushed the great French forces. But we here in the United States have every right—yes, a duty—to contemplate the worst that can happen.

Shall we lose our fleet and such planes as we possess in that process too—and lose them to no gain, lose them for nothing, nothing that can now be saved—lose them only to carry to the bitter and terrible end a mistaken policy that never should have been embarked upon, a policy mistaken, not necessarily because it was wrong, but because it was

weak, because it did not have the strength and could not get the strength to succeed?

Is there anyone in this country today who seriously thinks a foreign policy can be conducted without cold-blooded calculation of the military factors involved? Is there anyone, then, who can suppose that the President's policy is anything but the most dangerous adventurism? Where is our strength?

If we are to defy powerful nations, shake our fists at them and threaten them, we must first be strong enough to make attacking us far too expensive a proposition. That, it seems to me, is pretty nearly the first sum and final substance of foreign policy. But we in this modern day do nothing of the kind. Instead, we make military commitments that we can only keep, if at all, on our own timetable or schedule, and we have found that we are sometimes not able to make that timetable or schedule stick.

We defy certain powers when about our only strength behind this defiance is words.

It all amounts to this: We are defying certain foreign powers. We rally with words to the defense of commercial advantage in South America, to republics whose only markets, generally speaking, are European, regardless of who rules Europe. At the same time we not only find ourselves rather poorly prepared to defend ourselves against those whom we defy, but we are even sending away such preparedness armament as is already ours.

Such a policy can come to but one or the other of two ends—either it brings us to a shocking national diplomatic humiliation, a Munich that will out-Munich any Munich ever thought of, or a disastrous war. Those only can be the ends of our present foreign policy, if we continue pursuit of policies which have been laid down of recent months. Surely it was not the intention of the President to lead to any such goal, we all know, any more than the disaster of Flanders and the surrender of France were his intentions. But those are consequences, nevertheless, those and those alone.

So much, then, for the disasters, those which have occurred and those which might well be considered threatened under our foreign policy.

Well, what are we to do about it? There is a thing that we can do, that we ought to do, that we must do, and do quickly. We must make clear the conviction of the United States that our architects of disaster are no longer serving the welfare and best interests of the United States by remaining in power. These architects have, by reason of their own conduct, and the conduct of Germany and Italy especially, established in those two countries a bitter hatred of the United States. We do not care about their hatred. We need not be afraid of them alone. If they in combination with other powers wish ever to be so foolish as to bring war to us over on this side of two great oceans they shall be served with a "blitzkrieg" the likes of which they never yet have administered. But that is not all. Our policy has won as well, as I have previously suggested, a growing hatred in those countries that we presumably have been trying to help, namely, England and France.

We can well wish for a new front, a new leadership, that will convey to all the world the knowledge that America as a whole has not departed from the foreign policies liked by Washington, Jefferson, Adams, Monroe, and Clay, an American foreign policy. The President himself might come to sense this, to realize that his policies have been tragic in their consequences, and that his continuance in office can no longer promote the national welfare.

I can think of no single act that would so clearly show the President's patriotism, which we all know he has in great abundance—nothing would show that patriotism quite so clearly as for him to retire from these years of arduous effort and turn over his office, as the Constitution provides, to the Vice President, JOHN NANCE GARNER. In this crisis of national disaster—for the defeat of France is surely that—there is no one but the Vice President who can now restore the national unity and national confidence in governmental leadership, and there is no one who could do it quite so well as JOHN NANCE GARNER. Under this new leadership we might hope,

while adopting a purely American policy, to win back the confidence of Europe, heal some of the sores that have been opened by reason of our most recent conduct of foreign policy, and become an instrument available to the accomplishment of a more hopeful and enduring settlement of Europe's problems than otherwise seems to be in prospect after the present insanity there has run its course.

Mr. President, I am sure I can anticipate many, many words in answer, allegedly, to what I have said, but I hope those who are going to undertake the answer will confine themselves, in alleging what I have said, to what I have said. I hope there will be no effort to read in between the lines which have been mine, my thoughts and language which are not there.

I have in my heart but one wish, one cause to serve, that is, the cause of keeping my country out of this war, on the lone theory that when the war shall have ended there will be nothing of democracy, there will be nothing of stability, left for any country which permits itself to participate in the war. Just so surely as that we are in our places in the Senate today, win, lose, or draw in Europe, there will be victory in store for only one ideology, the ideology of one of the countries which has managed thus far to keep itself out of the war, a country some of whose citizens are considerably disturbed because we are not getting into it and making it another World War, bringing destruction, havoc, wreckage, wastage, to all the civilized lands, to the end that communism can have its one and only chance for victory upon the earth.

AGRICULTURAL APPROPRIATIONS—CONFERENCE REPORT

During the delivery of Mr. Nye's speech,

Mr. RUSSELL. Will the Senator from North Dakota be generous enough to yield for a moment, in order that we may conclude action on the agricultural appropriation bill? The bill is very lengthy, and it is necessary to give the enrolling clerk time to enroll it. There will be no discussion whatever, and it will take but a moment.

Mr. NYE. I worked with the Senator from Georgia upon the conference report, and, heaven helping me, if he has a final agreement ready, I shall be the last to stand in the way of securing action on the bill.

Mr. RUSSELL. I thank the Senator for yielding, as well as for his faithful and efficient aid.

Mr. President, I ask that the message from the House be laid before the Senate.

The PRESIDING OFFICER laid before the Senate a message from the House of Representatives announcing its action on certain amendments of the Senate to House bill 8202, which was read as follows:

IN THE HOUSE OF REPRESENTATIVES,

June 21, 1940.

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 65 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, and concur therein with an amendment as follows: In lieu of the sum inserted by said amendment insert "\$5,733,217"; and

That the House recede from its disagreement to the amendment of the Senate numbered 66 to said bill and concur therein with an amendment as follows: In lieu of the sum inserted by said amendment insert "\$868,458."

Mr. RUSSELL. I move that the Senate concur in the amendments of the House to the amendments of the Senate Nos. 65 and 66.

The motion was agreed to.

Mr. RUSSELL. I thank the Senator.

Mr. NYE. Mr. President, may I ask if the proceedings which have just been taken will appear in my remarks?

Mr. RUSSELL. I ask unanimous consent that they appear in the RECORD following the remarks of the Senator from North Dakota, after he shall have yielded the floor.

The PRESIDING OFFICER. That will be done.

Mr. NYE. I thank the Senator.

RATES OF INTEREST ON FEDERAL LAND BANK AND LAND BANK COMMISSIONER LOANS

Mr. BANKHEAD. Mr. President, will the Senator from North Dakota yield?

Mr. NYE. I yield.

Mr. BANKHEAD. Mr. President, there is a bill on the calendar that should have quick action. It is the bill extending for 5 additional years the reduced rate of interest, 3½ percent, on Federal land-bank and Land Bank Commissioner loans. A similar bill has passed the Senate twice. There are 200,000 notices ready to go out to mortgagors, and the mortgagors are waiting to see what the rate of interest will be. I think there is no opposition to the bill. It is Calendar No. 1730, House bill 8450. I ask unanimous consent that it be considered now. It has to go over to the House before final action may be taken on it.

The PRESIDING OFFICER. Does the Senator from North Dakota yield for that purpose?

Mr. NYE. I yield.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Alabama?

There being no objection, the Senate proceeded to consider the bill (H. R. 8450) to extend for 5 additional years the reduced rates of interest on Federal land-bank and Land Bank Commissioner loans.

The PRESIDING OFFICER. The Chair is informed that there is pending an amendment offered by the Senator from Montana [Mr. WHEELER].

Mr. BANKHEAD. The Senator from Montana [Mr. WHEELER] authorized me to withdraw the amendment.

The PRESIDING OFFICER. Without objection, the amendment is withdrawn.

The Chair is also informed that the committee amendments were all agreed to on May 29. Therefore the question is on the engrossment of the amendments and the third reading of the bill.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

The title was amended so as to read: "A bill to extend for 2 additional years the reduced rates of interest on Federal land bank and Land Bank Commissioner loans."

After the conclusion of Mr. NYE's speech,

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Calloway, one of its reading clerks, announced that the House had passed without amendment the following bill and joint resolution of the Senate:

S. 3927. An act to provide for the administration of the Washington National Airport, and for other purposes; and

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.

The message also announced that the House had receded from its disagreement to the amendments of the Senate Nos. 65 and 66 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, and concurred therein each with an amendment, in which it requested the concurrence of the Senate.

The message further 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. 9594) to amend section 12 (b) of the Soil Conservation and Domestic Allotment Act, as amended, by authorizing the transfer of funds to cover advances for crop insurance.

The message also 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 joint resolution (H. J. Res. 544) making appropriations for work relief and relief for the fiscal year ending June 30, 1941, and that the House had receded from its disagreement to the amendment of the Senate No. 68 to the joint resolution and concurred therein.

EXPEDITION IN NAVAL SHIPBUILDING

The Senate resumed the consideration of the bill (H. R. 9822) to expedite naval shipbuilding, and for other purposes.

AMERICAN FOREIGN POLICY

Mr. MINTON obtained the floor.

Mr. BARKLEY. Mr. President, will the Senator yield to me a moment?

Mr. MINTON. I yield.

Mr. BARKLEY. I wish to make merely a brief observation. I have no desire to get into a debate on the European war, but the Senator from North Dakota [Mr. NYE] during the early part of his remarks made the prediction, as I understood it, that whenever the letter written by Secretary of War Woodring to the President in tendering his resignation should be made public, it would disclose that the reason for Mr. Woodring's resignation was the fact that he declined to sign orders turning over to the Allies any war material under the control of the War Department, and, as I understood the Senator, he intimated that it would also disclose that Mr. Woodring had declined to reveal the secret with respect to a bomb sight. If I misunderstood the Senator, I give him an opportunity to correct me.

Mr. NYE. Mr. President, I appreciate the opportunity the Senator gives me. I am quite confident I did not say just that. I recall very vividly saying that I believed that if the letter of resignation were made available to the public, it would reveal that Mr. Woodring said his resignation was due to his inability to agree to the sales of military supplies abroad, and that if the matter were gone into thoroughly with Mr. Woodring and his staff, there undoubtedly would be revelation that his resignation was occasioned primarily by his refusal to append his signature to orders releasing more of military aid to the Allied cause.

Mr. BARKLEY. The Senator did mention the bomb sight in connection with those remarks, and I got the impression that he included in his intimation that the Secretary had refused to sign orders selling war materials, and that he had intimated also that he had refused to reveal secrets of the bomb sight.

Mr. NYE. Not in that connection.

Mr. MINTON. Mr. President, because I was very much impressed with what the Senator from North Dakota was saying at the time, I made a note, as rapidly as I could, of what he said. In substance, this is what he stated, that he was sure that when the facts became known about Mr. Woodring's resignation it would be revealed that Mr. Woodring was asked to surrender the bomb sight and that he would not do it, and so he was removed from the Cabinet.

Mr. BARKLEY. That is the impression I got from the Senator's remarks.

I wish to say that following the remarks of the Senator I took it upon myself to call General Arnold, the head of the Air Corps of the United States Army, and he authorized me to say that at no time, in any conference or in any deliberation or during the consideration of secrets of the War Department or of the United States Army, was any consideration ever given to the revelation of any secret bomb sight on the bombers of the United States Army.

It is rather unfortunate that here in the Senate of the United States, which is a sort of loud speaker, where everything that is said is broadcast, through the press and the radio, which comment upon happenings here, Senators should speculate about some dereliction of duty that is intimated by those who do not happen to agree with the policy of the present administration.

I do not know what was in the letter of Mr. Woodring to the President. I do not know that I shall ever know. I am a friend of Mr. Woodring. I served in the Senate with his father-in-law, the former Senator from Massachusetts, Mr. Coolidge. I have sufficiently high regard for Mr. Woodring to believe that he has not in anything he has said by word of mouth, or by any letter he has written to the President, been guilty of any impropriety in connection with tendering to the President his resignation as Secretary of War.

The mere fact that the President did not give the letter out because of its personal nature ought not to be used to carry any implications as to what it contains.

Frequently letters are both personal and official, and frequently there are personal allusions in official letters which

the recipients would not want to give out to the public. All of us receive letters from our constituents, for instance, on legislative or official matters. Frequently they contain some personal reference. We would not take the liberty, in fairness and justice to ourselves and to our correspondents, to make them public.

I merely wanted to say that it seems to me most unfortunate, simply because the President, in the exercise of his judgment as to the proprieties, did not see fit to give out a letter of resignation which was sent to him by the Secretary of War, a letter which was at least in part of a personal nature, and it may be of an intimate personal nature, that such a circumstance should be taken as any indication of what the letter contains or any justification for any intimation. It is unfair to the Secretary of War and to the President and to the country to use that circumstance merely to hang upon it a veiled charge or prediction as to what the letter contains or as to the reason why the Secretary of War has tendered his resignation.

It seems to me that our people are sufficiently confused, they are sufficiently worried, they are now sufficiently anxious about our situation to make it at least within the bounds of propriety that Members of the United States Senate and others in high official positions should not speak further upon mere suspicion, rumor, or intimation, to fan the imaginations of the people into flame and to cause them to wonder still more what is really happening in the Government. I believe the American people have confidence in their Government. I believe they want to continue to have that confidence in their Government. While there are honest differences of opinion among Members of this body and among all men as to wisdom of action, there could be no greater disservice performed, in my judgment, so far as the Government of the United States is concerned and so far as the people are concerned, and there could be no greater damage committed to the morale of the American people, than by innuendo and insinuation to seek to create the impression that there is something "rotten in Denmark" behind the scenes; that their agents of government, whom they have chosen and in whom they have expressed their confidence, are not worthy to perform their duties. Of course, they cannot make public everything they do. It would be preposterous to expect that in our diplomatic, military, and naval relationship everything that happens, every conversation, every memorandum, and every letter should be made public. The War Department, the Navy Department, and the State Department cannot carry on their operations in a barber shop or in a beauty parlor so that the whole world may look on and see what is happening. It is not in the interest of the welfare of our country that that should be done.

I express the earnest hope that we will not here give expression to insinuations or intimations or veiled charges of any kind unless we can substantiate them by facts. We ought not to attempt to do so until we have the facts. None of us here can obtain all the facts with respect to many of these matters. Certainly we owe it to our country and to the proprieties to wait until we have the facts before we undertake to speak with reference to them.

Mr. MINTON. Mr. President, I am sure the Senator from North Dakota [Mr. NYE] was utterly sincere when he said he wanted to keep this country out of war. I am as anxious to keep the country out of war as is the Senator from North Dakota. I am no warmonger. I learned about war the hard way. I served for 27 months in the last World War, and a year of it was overseas. I do not want war because I saw war at its worst. As the father of two boys, I do not want war. In the hands of destiny today I have two hostages for peace—my sons. So I am as anxious to keep this country out of war as the Senator from North Dakota ever could be.

I am sure that all my colleagues on the floor of the Senate are as anxious to keep this country out of war as is the Senator from North Dakota. I am sure he is ready to accord us the same sincerity of purpose that he claims for himself, and I am ready to accord it to him. I am not so sure that the Senator from North Dakota is willing to accord to the

President of the United States the same sincerity of purpose and the same patriotism that he claims for himself.

I think the President of the United States is a patriotic, high-minded public servant, who has no purpose to lead this Nation into war, and will not lead this Nation into war, and the Nation will not have war if war stays away from our shores. But, Mr. President, we do not always have the choice as to whether we shall have war or shall not have war.

Of course, the recent Secretary of War, Mr. Woodring, was my friend, as he was the friend of the Senator from Kentucky [Mr. BARKLEY]. I have had occasion to speak in defense of Mr. Woodring, and I spoke up in his defense in the implied criticism heaped upon him by the Senator from North Dakota and his isolationist friends. So it seems a little odd to me to find the Senator from North Dakota coming at this time to the aid of the recent Secretary of War, Mr. Woodring. I can remember when the very circumstance to which the Senator from North Dakota referred, as to the sale of war planes to France, was brought to the attention of the country, and one of those who expressed great alarm about it was the Senator from North Dakota.

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

Mr. MINTON. I yield.

Mr. BARKLEY. I think it proper to say at this time that I have received information from the War Department since the Senator from North Dakota began his speech today that the planes referred to did not go to France—not any of them have gone to France. Therefore, of course, they are not in danger of being turned over to Hitler.

Mr. MINTON. I do not know what planes the Senator from North Dakota referred to or the Senator from Kentucky now refers to, but I am referring to the incident which occurred during, I think in 1939, when a plane fell in California and injured a Frenchman who was here on a mission to purchase planes. One of the chief objectors at that time to the procedure of selling to the French people planes manufactured in this country—not by the Government, but by private corporations—was the Senator from North Dakota, and one of those who defended that plan, one of the men who was responsible for that program—and there was nothing in law, morals, or anything else that condemned it—one of the men who were in favor of it was the Secretary of War, Mr. Woodring, whom the Senator from North Dakota commends so highly here today.

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

Mr. MINTON. I yield.

Mr. NYE. It seems to me that there ought to be a clarifying of the facts that existed at that time. Up to the very hour of the issuance of the orders which required American industrialists to extend aid to the French mission, I might say that within the Government of the United States the most violent foe of the policy which was then being undertaken to give aid and American military supplies to France and to England was the Secretary of War, Harry Woodring.

Mr. MINTON. Mr. President, it so happens that Mr. Woodring appeared before the Military Affairs Committee, of which I happen to be a member, and said just the opposite of what the Senator from North Dakota is now saying.

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

Mr. MINTON. I yield.

Mr. NYE. I wish the Senator would disclose whatever he has which would reveal that Mr. Woodring, up to the time the order was issued making these advantages available to the Allies, held the view which the Senator says he held.

Mr. MINTON. Let the Senator be patient. He asked me to sit around for 30 minutes and wait on him. I waited for an hour, but he never revealed the facts which he said he would reveal. The Senator will have to wait only a moment, and I shall read from the record what Mr. Woodring and General Marshall had to say about this matter. At that time the Military Affairs Committee was investigating this matter pursuant to a resolution introduced by the Senator from Wisconsin [Mr. LA FOLLETTE]. It was not investigating the particular incident of the sale of planes in the first in-

stance, but the whole question of selling planes and war materials to nations engaged in war.

Mr. NYE. Then the Senator is not arguing that Secretary Woodring was originally supporting the cause of making American military advantages available to the Allies, or to any countries abroad?

Mr. MINTON. Mr. Woodring was in favor of it, and he said so. I read from the record of the hearings:

Mr. WOODRING. Well, it is our honest belief that the increased orders that are coming from foreign governments, both for arms, ammunition, and implements of war, and particularly aircraft, are creating a capacity that our appropriated funds could not possibly create. It would take millions and millions and billions of dollars of the taxpayers' money to create the capacity that is being created by these incoming orders, which give us a capacity that is undoubtedly in the interest of the national defense of this country.

And so on, at further length.

General Marshall, Chief of Staff, supported Mr. Woodring in that statement; and as the concluding questions in General Marshall's testimony I asked him if he agreed with Mr. Woodring in his observations and conclusions about the selling of materials to foreign governments. I asked General Marshall the following question:

Senator MINTON. You agree, then, with the the Secretary of War that the purchase of arms, ammunition, and implements of war, including aircraft, by foreign countries is not in any way a threat to our protection?

General MARSHALL. Yes, sir.

Senator MINTON. You agree with the Secretary of War that no military secrets of war of any kind are being revealed to the purchasers?

General MARSHALL. Yes, sir.

Senator MINTON. And it is your opinion that this program that is now developing and being carried on due to the purchase of materials and supplies by foreign governments is definitely helping our program and decreasing the cost to this Government?

General MARSHALL. Most emphatically I do, sir.

So when we look at the record and find out what Secretary Woodring had to say, his words before the Military Affairs Committee do not bear out the insinuations of the Senator from North Dakota.

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

Mr. MINTON. I yield.

Mr. NYE. Still the Senator from Indiana does not directly answer the question as to when Mr. Woodring did favor this kind of a program and when he did not favor it. Up to the time the orders were written over his head by the Commander in Chief, Secretary Harry Woodring was a violent foe of the program of making these advantages available to foreign governments.

Mr. MINTON. The Senator has no evidence of that kind, and I challenge him to put it into the RECORD today, tomorrow, or any other day. I have put into the RECORD the statement of Secretary Woodring, made upon his responsibility as Secretary of War, when he appeared before a responsible committee of the Senate investigating the very matter about which the Senator from North Dakota has been talking. We were investigating, under a resolution submitted by the Senator from Wisconsin [Mr. LA FOLLETTE], whether or not the sale of supplies by this country to the Allies was in any way hampering the program of the United States, and whether or not the War Department was in accord with that program. Secretary Woodring appeared before the committee and testified as I have read from the record. At the conclusion of the testimony of General Marshall, who was supporting Secretary Woodring in everything he had said, I asked him the categorical questions which I have just read into the RECORD.

So we find that the record of Secretary Woodring and the record of the War Department, from the Secretary of War to the Chief of Staff himself, has always been the same. They were of one accord as to the sale to the Allies of materials, supplies, and ammunition, and especially aircraft. But the Senator from North Dakota, in his most insinuating manner, insinuates into the RECORD that the Secretary of War, Mr. Woodring, was opposed to that program, and that that was probably one of the things responsible for his retirement from the Cabinet. He insinuates into the RECORD that Mr. Woodring was opposed to sending the boys to Europe to die in the

shambles of the battlefields of Europe. There is nothing in the record to show that Mr. Woodring ever said anything of the kind. The Senator insinuates into the RECORD that Mr. Woodring was probably asked to resign because he was asked to reveal to somebody the bomb sight. Yet the Senator from Kentucky called General Arnold, the head of the Air Corps, who has this secret in charge and who guards it jealously, and he told us, no longer than half an hour ago, that the secret had been revealed to no one; and yet the Senator from North Dakota insinuates it into the RECORD.

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

Mr. MINTON. I yield.

Mr. NYE. The Senator from North Dakota did not insist that the secret had been revealed to anyone.

Mr. MINTON. Oh, no.

Mr. NYE. What I said, and what I repeat, is that in all probability the Secretary of War was asked to make the secret bomb sight available to the Allies, as other advantages have been made available.

Mr. MINTON. Again, I should like to have the Senator from North Dakota produce the evidence on that score. It is just another insinuation by the Senator from North Dakota which finds its way into the RECORD—an insinuation which is not backed by any facts or any evidence. It is just like his insinuation on the floor in a speech he made a few months ago to the effect that war would not break out in Europe unless the "go" sign were given in America.

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

Mr. MINTON. I yield.

Mr. SCHWELLENBACH. The Senator from North Dakota takes the position that probably the reason for the resignation or retirement of Secretary Woodring was that he was asked to reveal the bomb sight. The Senator from North Dakota has no more proof of that than he has of any of the other statements he has conjured out of his imagination this afternoon. He has built up a case. He has taken as his major premise the assumption that Ambassador Bullitt told the French Government that if they went to war for the protection of Poland we would come to their assistance and render military aid, even to the extent of a declaration of war. He had not one single word of evidence to submit to the Senate which would be accepted by the most remote justice of the peace in the country, to support that statement, yet he made that the major premise of his whole argument.

For most of the afternoon he has made use of his imagination, conjuring up stories, and saying that some mysterious person, whom he would not compromise by making his name public, appeared in his office and gave him a statement to that effect. He used a confidential statement which some newspaperman was supposed to have sent around the country, never once revealing the sources of his information. In the mind of the Senator from North Dakota, in this period of national and international trouble that may be the sort of statesmanship which he can accept as his type of statesmanship.

I think that this is a time when Members of the Senate of the United States and persons high in public life in this country should exhibit some restraint in their statements. Not a single word has been uttered by the Senator from North Dakota this afternoon which shows the slightest basis of evidence to prove any of the conclusions which he asks us to reach. The very argument he made when he said that probably the isolationists would be blamed for the fact that France suffered defeat, and the argument which he made in defense of himself and others whom he may include in that category, were a complete and positive answer to all the arguments he had been making up to that time. He asked, "Why should the Government of France recognize the ability of the isolationists to stop military assistance from the United States?" He said that France knew what we had in this country; that France knew our lack of war preparations; and that France was familiar with the Constitution of the United States; and yet he wants the press to spread the word

throughout the United States today, on the basis of information the source of which he says he will not reveal, that the Government of the United States, acting through the President and the Ambassador to France, led France and England into this war, and is wholly responsible for the whole situation which exists in Europe today.

I think the time has come when there is some responsibility upon the Members of this body to recognize that they must deal with facts, and deal with them upon a responsible basis, and not depend upon their imaginations or their desires for political preferment. These are critical times, and the people of the country are entitled to have these times considered in a careful and serious way by the leaders in our national life.

Mr. MINTON. I thank the Senator from Washington. Of course, the whole speech of the Senator from North Dakota was merely one insinuation after another—one insinuation piled up on top of another. He even said the President of the United States has promised England and France a declaration of war. Who was his authority? Mr. Henning, the correspondent of the Chicago Tribune? The Senator from North Dakota may take the Chicago Tribune for authority if he desires, but I shall ask to be excused from accepting that authority.

The Senator from North Dakota said that because the Senator from North Carolina [Mr. REYNOLDS] had submitted a resolution to summon the Ambassador to France, Mr. Bullitt, to appear before the Foreign Relations Committee, forsooth Mr. Bullitt flew away to Europe, when the fact is that Mr. Bullitt had had his plans made for weeks, and had his reservations made days ahead, and he went only on schedule time. But the Senator from North Dakota insinuated that Mr. Bullitt was flying away to France to evade appearing before the Foreign Relations Committee of the Senate. So it is that the Senator from North Dakota insinuates and insinuates, and tries to lead the country to believe that things which germinate only in his fertile brain are facts.

The Senator from North Dakota said the United States had led France and England into the war—led them into the war—had induced them to go into the war. What did the United States have to do with the violation of Czechoslovakia? What did the United States have to do with the "blitzkrieg" in Poland? What did the United States have to do with the invasion of Norway and Denmark? What did the United States have to do with the overrunning of Belgium and Holland? What did the United States have to do with crushing the very life out of France today? Yet the Senator from North Dakota says the United States led France and England into this war.

Mr. President, I should be ashamed to make such a charge against America as that America would lead France and England to the shambles of a great war, and to the very brink of destruction, and itself assume no responsibility in the matter. Of course America did not make any such promises. Of course, America did not lead England and France into war, and, of course, America knows that America is not going into the war of England and France until it becomes America's war; and the Senate of the United States and the President of the United States are not going to lead America into any war that is not America's war.

The Senator from North Dakota is a great isolationist. I have the utmost respect for certain sincere gentlemen who entertain views along that line; but I point out that at this juncture in the world's history isolationism has not led to peace. Certainly Holland was isolationist. Certainly Belgium was isolationist. Certainly Denmark was isolationist, and Norway, and little Luxemburg; but they were invaded, and cruelly overrun, and crushed to death. No, Mr. President; isolationism does not lead to peace. The world today knows the sad lesson that isolationism leads to war, total war; and right here on the floor of the United States Senate the greatest impetus to isolationism was given in 1919 or 1920, following the World War. Right here upon the floor of the United States Senate isolation was first sowed and nurtured and started on its way.

We went out in 1917 and 1918, 3,000,000 fellows like myself, under the cry that we were fighting a war to end war; that we were fighting to make the world safe for democracy. I believed that then. I believe it now. But I say to you, Mr. President, that while we won the victory on the battlefields of France, it was lost here in the United States Senate. Right here, Mr. President, when the League of Nations was turned down, the only constructive plan for collective security was destroyed, and right here we embarked upon a policy of isolationism, and isolationism became not only America's policy but the policy of everybody but Adolf Hitler and Mussolini and possibly Stalin, the heads of the totalitarian countries of Europe.

Today the path of isolationism has led to what? Not to peace—not even to war as we once knew it—but to total war as Hitler wages it in Europe today.

So, Mr. President, I am sure we are not to be concerned about whether Mr. Hitler would get mad if we should call him names. We certainly should not be much concerned about whether Mussolini would get mad if somebody should call him names. I do not particularly approve of the name-calling process, but I do not think it makes any difference to Hitler. I do not think it makes any difference to Mussolini. We might call them all the names in the book and we could not stop them. We could not deter them, and it would not make any difference; and we could keep our sweet mouths shut and say nothing about them, and they would pursue their own evil way in their own manner. So while it may be unbecoming of us to stand off 3,000 miles and call somebody names, I do not think it makes any difference in the international affairs of the world with Mr. Hitler or Mr. Mussolini. I do not think they were called any names in Belgium, or Denmark, or Norway, or Czechoslovakia, or Poland; and look at those countries today. They kept their sweet mouths shut. They even answered the Gallup poll that Mr. Hitler conducted over there to determine whether or not the little nations clustered about him were afraid of him. They all came in trembling and put their ballots in the box and said, "Oh, no, Mr. Hitler; we are not afraid of you—not much." Today we know the sad truth, that it does not make any difference what you stand for, what you believe in, what you do or do not do, if you happen to get into the path of the evil genius whose indomitable will rules a great part of the world today.

The Senator from North Dakota criticized Mr. Bullitt. He criticized this administration. He criticizes us about our preparedness, and he criticizes us about our failure to prepare. The Senator from North Dakota said that the group to which he belonged never voted down a battleship or a plane. Perhaps they did not, but it was not their fault. They voted against every one of them.

Mr. President, when Mr. Bullitt came back here in 1939, at the beginning of the year, and when Mr. Kennedy came back from the Court of St. James's and met in what was supposed to be a secret session with the Military Affairs Committees of the Senate and House, and told them of the critical situation in Europe, who was it that scoffed at Bullitt? Who was it that scorned the advice of Kennedy? The Senator from North Dakota and his colleagues who believed as he believed. Who was it that pooh-poohed the ideas of Mr. Kennedy and Mr. Bullitt that Hitler was in a position to overrun Europe and had the power to do it? The isolationists, the Senator from North Dakota and his colleagues.

Mr. President, the Senator from North Dakota criticizes Mr. Bullitt for staying on in Paris. That is just what Mr. Herrick did in 1917 and 1918 when the Government of France left Paris and moved to Bordeaux. Mr. Herrick remained in Paris. That is exactly what Brand Whitlock did in Belgium when Belgium was overrun by the Germans and took Brussels, and overran practically the whole country. Brand Whitlock remained. Yet the Senator from North Dakota insinuates again that there must have been some sinister purpose on the part of Mr. Bullitt in remaining in Paris. He also intimates that Mr. Bullitt burned all the records. I suppose

the Senator from North Dakota would not want him to turn them over to Hitler, who was knocking at the door, who was getting ready to come into Paris.

Mr. NYE. When did I cast any aspersions this afternoon regarding the burning of the records by Mr. Bullitt?

Mr. MINTON. Was I asleep? Am I walking in my sleep, too? [Laughter.]

Mr. NYE. I have very vivid recollection of the Senator from Missouri [Mr. CLARK] making a point of that kind, but it was not a part of my remarks.

Mr. MINTON. I must appeal to the RECORD. If the Senator did not say it, and if the Senator did not insinuate it, if the Senator did not make those remarks, then I apologize, but I think the RECORD will show that the Senator did.

Mr. CLARK of Missouri. Mr. President, will the Senator yield?

Mr. MINTON. I yield.

Mr. CLARK of Missouri. I do not recall what the Senator from North Dakota said, but I did call attention to the fact that the American Ambassador to France had not accompanied the French Government when the French Government left the seat of government at Paris, that he had remained in Paris and had burned all the diplomatic correspondence instead of removing it, including his code book. If the Senator from Indiana desires to make anything out of that suggestion, I shall be very glad indeed to have him do so.

Mr. MINTON. All I care to make out of it is that I think Mr. Bullitt acted wisely.

Mr. CLARK of Missouri. I do not.

Mr. MINTON. Then what is the argument about it?

Mr. CLARK of Missouri. I say I do not think the Ambassador acted wisely.

Mr. MINTON. The Senator does not think he acted wisely?

Mr. CLARK of Missouri. I do not.

Mr. MINTON. The Senator thinks he should have turned them over to Hitler?

Mr. CLARK of Missouri. I do not. I think the Ambassador to France should have pursued the course pursued by other diplomatic representatives in France and removed his diplomatic correspondence, including his code book and himself, and accompanied the French Government, to which he was accredited, instead of throwing the burden upon an American diplomatic representative accredited to another nation, Poland, to represent the United States at the seat of government of France.

Mr. MINTON. Of course, Mr. Biddle had formerly represented us at Warsaw, and was in Paris, and had been accredited secondarily there to assist Mr. Bullitt, to help him with his manifold duties there, and Mr. Biddle had retired with the Government of France, first to Tours, and I think perhaps on down to Bordeaux. But I say again that this was not without precedent. It is the same thing Mr. Myron T. Herrick did in 1917 and 1918, it is the same thing Mr. Brand Whitlock did in Belgium. So there was nothing unusual about what Mr. Bullitt did under those circumstances.

I wish to revert again to the statement of the Senator from North Dakota that he and his isolationist friends had not voted down a single ship or a single plane. No; they did not vote them down, but if they had had enough votes they would have. In 1938, when we had before us the Navy appropriation bill, to build the program which was outlined in 1938, to establish a navy in defense of the shores of the United States, and to appropriate money for that, how did the Senator from North Dakota vote on that appropriation bill? He voted "no."

In 1938, when he cast that vote, he was accompanied by all of his isolationist friends, including the Senator from Michigan [Mr. VANDENBERG], who at least has had the courage and the sincerity and the honesty to turn about and go in the other direction when he saw his country in danger. But the Senator from Michigan stood over in his place, and, with his great, booming voice, and his powerful eloquence—I hear him now, the great isolationist voice of the United States—when we were trying to enact legislation to protect

the shores of the United States, no longer ago than 1938, standing on the other side of the aisle and shouting, "What are we going to do with this super, super Navy?" Will there ever cease to ring in the Halls of the United States Senate those words of the eloquent Senator from Michigan as he said, "What are we going to do with this super, super Navy?" And the Senator from North Dakota voted with him, to try to keep us from building up the Navy, the first line of defense of this country.

In 1939, when the Navy expansion bill was before the Senate, the Senator from North Dakota voted again against a navy for this country, and the only naval bill for which he has ever voted he voted for the other day, when we had the Navy bill before the Senate.

When we had before us on the 6th day of March 1938 the aviation expansion program, and we wanted to amend the bill so as to increase the number of planes from 5,000 to 6,000, was the Senator from North Dakota ready and willing to cast his vote for war planes to defend the shores of the United States? Not at all. The Senator voted against the amendment.

Mr. CLARK of Missouri. Mr. President, will the Senator yield?

Mr. MINTON. I yield.

Mr. CLARK of Missouri. I voted in exactly the same way the Senator from North Dakota voted, and both of us voted in accordance with the recommendation made to the Committee on Military Affairs, of which the Senator from Indiana was a member, by the chief of the military air force, General Arnold, when he testified that 5,500 planes, instead of 6,000, was entirely adequate for national defense at that time.

Mr. MINTON. At least the Senator from Indiana must have credit for seeing the light, when the Senator from Missouri and the Senator from North Dakota could not. I voted for more airplanes and the Senator from Missouri and the Senator from North Dakota voted for fewer.

Mr. CLARK of Missouri. Mr. President, will the Senator yield further?

Mr. MINTON. I yield.

Mr. CLARK of Missouri. That is entirely true; but I do not think the Senator from Indiana will deny that both the Senator from North Dakota and I voted in exact accordance with the recommendations of the President of the United States and the testimony of General Craig, the Chief of Staff, and General Arnold, the chief of the military air force, until the last minute, when the suggestion was made that we might just as well increase the limit without increasing the cost.

Let me say also that, as a matter of fact, under the policy of transferring planes to other nations, we have not anything like the number of planes we authorized, and which we were assured at that time we would have, either with 5,500 planes authorized or 6,000 authorized.

Mr. MINTON. I still say that I voted for more planes than the Senator from Missouri did. [Laughter.]

Mr. CLARK of Missouri. If the Senator will permit one further suggestion, merely standing here and voting for planes does not make planes, if at the same time the Senator votes to authorize the transfer to some other country of planes which we might have and might need.

Mr. MINTON. I do not think there has been any transfer of planes that has hurt this country. For every plane that has been transferred or might have been transferred we have one on the way which is a better plane than the one we transferred, which will probably cost us a little less money.

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

Mr. MINTON. I yield.

Mr. PEPPER. Does the Senator know anything to the contrary of the statement that was made to the junior Senator from Florida today at noon by the junior Senator from New York [Mr. MEAD], who is acquainted with the productivity of the Curtiss Co. in Buffalo, who stated that when the program of allowing planes to go to Europe was inaugurated, they were turning out one plane a week, that thereafter they began to turn out one plane a day, and since that time they have been able to turn out five planes a day?

Mr. MINTON. Of course, that was made entirely possible because foreign governments were placing their orders for planes here. If the plane manufacturers had had to depend on the orders of the American Government alone, and of the commercial airplane users in this country, they could never have built up the airplane-producing capacity we have today. It was for that reason that Secretary of War Woodring and the Chief of Staff, General Marshall, and the head of our Air Corps, General Arnold, all approved of the plan of selling these airplanes to foreign countries.

Mr. CLARK of Missouri. Mr. President, will the Senator yield?

Mr. MINTON. I yield.

Mr. CLARK of Missouri. The Senator is a member of the Committee on Military Affairs, and he was certainly present at the meeting of the Committee of Military Affairs in which Secretary of the Treasury, Mr. Morgenthau, and the Secretary of War, Mr. Woodring, almost engaged in a fist fight about what had been the trend of the War Department's recommendations, and in which it was finally admitted that the War Department's recommendations originally made by General Craig as Acting Secretary of War had been overridden by higher authority.

While it is entirely true, as it appeared from the record at that time—and I do not know what record the Senator is reading from, because the Senator knows the record was "jimmied with" several different times—the Senator as an eyewitness and earwitness will recall that it was in the testimony that General Craig, as Acting Secretary of War, very strenuously opposed the transfers to any foreign power of planes that might be necessary or useful to the United States itself, but afterward at a meeting at the White House, at which the Secretary of War and the Secretary of the Navy were present as well as General Craig, the objections of the War Department were overruled, and therefore finally at long last the War Department officials gave in, and gave their adhesion to a principle which had been ordered by the Commander in Chief of the Army and Navy.

Mr. MINTON. Mr. President, that is not my recollection of the record, and it is certainly not the record that was made before the Military Affairs Committee.

Mr. CLARK of Missouri. Mr. President, if the Senator will recall, the record was made three or four different times. The original hearing, if the Senator will recall, was held in executive session, and, in spite of the fact that at the opening of every session, I had given notice that at the conclusion of the hearings I intended to move to make the record public, that was voted down, and it was necessary to start all over again, hold an entirely different set of hearings, allow everybody to come in and testify all over again, change their testimony if they wanted to, and then correct their testimony before it was published, and the original testimony, as I think the Senator from Indiana will recall, and I am certain every other member of the Military Affairs Committee will recall, was never published and never made public.

Mr. MINTON. Mr. President, I will certainly not join the Senator from Missouri in any insinuations with respect to the chairman of the Military Affairs Committee [Mr. SHEPPARD], who conducted those hearings.

Mr. CLARK of Missouri. No; if the Senator will permit me, I certainly do not wish to make any insinuations with respect to the chairman of the Military Affairs Committee. He acted by authority of the Military Affairs Committee in failing to make public the original testimony and in taking an entirely different set of hearings, and also in submitting to the witnesses their testimony for correction as they pleased and for deletion as they pleased. I do not think that any member of the Military Affairs Committee at that time would have accused the chairman of the Military Affairs Committee of doing anything improper, but I do say that the original testimony was never made public.

Mr. MINTON. I will say to the Senator from Missouri that my recollection does not agree with his, and that, if the original hearings were not made public, it was not because there was anything to conceal. And if they were not

made public, the subsequent records were made public and the hearings were wide open, and I was in favor of wide-open hearings, as was the Senator from Missouri. So they all came in and heard the story, and the newspapermen were there and reported it, and we all know that the War Department was in one accord about the sale of this material. Secretary of War Woodring, as I read from this other hearing, in March of 1940, appeared before the committee and testified that the program had his wholehearted approval. Not only did he so testify, but General Marshall testified to the same thing.

So, Mr. President, coming back to this increase in the air program, when it came to the final passage of the bill, the Senator from North Dakota and the Senator from Missouri were among the eight who voted against it. The Senator from Missouri said a while ago that he was voting for what the War Department wanted and what the President of the United States had recommended, but when the bill came for passage he did not vote to increase the defenses of this country by a single airplane. That appears in the RECORD of March 7, 1939. There were only 8 votes cast against the bill, and 77 votes were cast in favor of it.

So, if we do not have fewer ships today than we once had, if we do not have fewer ships today than we should have now, it is not the fault of the Senator from North Dakota. He voted against every appropriation bill for the Navy since I have been in the United States Senate. If we have enough airplanes today to defend America, it is not the fault of the Senator from North Dakota or the Senator from Missouri. They voted against the airplanes to defend this country.

Mr. CLARK of Missouri. Did the Senator ever hear of my voting to transfer ships that were needed for the defense of the United States, according to the testimony, to any foreign power?

Mr. MINTON. No. The Senator voted for none. We should not have any to transfer to any foreign power, according to the way the Senator voted.

Mr. CLARK of Missouri. The Senator does not intend to make that statement?

Mr. MINTON. Here is the record.

Mr. CLARK of Missouri. Wait a minute. I offered on the floor of the Senate to vote for the recommendation of the President of the United States and of the Chief of the Air Service of the Army. When the Senator from Indiana and some other Senators undertook to take an additional bite I voted against the appropriation.

Mr. MINTON. And the Senator voted against any appropriation.

Mr. CLARK of Missouri. That statement is not correct.

Mr. MINTON. Here is the record.

Mr. CLARK of Missouri. I voted against that particular bill, Mr. President, because I realized that a lot of warmongers were attempting at every step to increase the authorization. I was willing to vote for any authorization that the War Department would come here and say was necessary for the national defense of the United States. I was not willing to let the Senator from Indiana and other members of the Military Affairs Committee increase the authorization above what the War Department said was necessary.

Mr. MINTON. All right. If that is the Senator's explanation at this late hour it satisfies me.

Mr. CLARK of Missouri. Well, it was the explanation I made at that time on the floor of the Senate.

Mr. MINTON. Yes. Well, the fact remains that the Senator from Missouri voted for no planes, not even what the War Department authorized and asked for, not what the President of the United States recommended and asked for, and what his colleagues on the floor voted for, but the Senator from Missouri was one of the eight who voted against the entire bill.

Mr. CLARK of Missouri. Wait a moment, Mr. President. Will the Senator explain what opportunity anyone had to vote for the number of planes recommended by the War Department excepting by voting against the committee amendment on that occasion?

Mr. MINTON. Now we have this picture of the Senator from Missouri who, I know, wants to defend America. He is not a warmonger. I am the warmonger, according to the Senator from Missouri. I learned about war just as the Senator from Missouri did. I am no more a warmonger than is the Senator from Missouri. I have sons who are eligible to carry the arms of their country today, and I am not a warmonger, and I am not going to vote for war that will send my boys or the Senator from Missouri's boy into war unless it is America's war; and I will turn my back upon my boys in shame if they turn their backs upon the flag of their country that my grandfather fought and died for and I offered my life for in 1917 and 1918.

Would the Senator from Missouri say the same thing?

Mr. CLARK of Missouri. If the Senator from Indiana will yield, I will say the same thing.

Mr. MINTON. I am glad. I thank the Senator.

Mr. CLARK of Missouri. Wait a minute. The Senator asked me a question. Let me answer. I will be very glad to answer. I hope never to see the day—and I know that I never will see the day when any son of mine will be the first member of my family since the days of the Revolution, and before the Revolution in this country when the United States is engaged in war, who will not engage in the war as a defender of the United States; but, Mr. President, I will never cast my vote either to get into war or to take steps leading inevitably into war, which will involve my son and other men's sons in a war, except in the defense of the United States of America. I will never cast a vote, Mr. President, that will take us along step by step, inch by inch, and put us in the situation under the guise of measures short of war, to the point where we will be engaged in a war. And I call the attention of the Senator from Indiana to this fact—that when we arrive at that point we will then not be able to say whether we will send our Army overseas or what we will do. When we have once cast the die by engaging in a war, by sending our ships, by sending our naval vessels and our air force to the attack we cannot then say, "No, no; we will stop right here at the brink and not send our men." If that situation ever occurs and the United States is precipitated into the war, it will not be by my vote; but when it happens my boys will march out, and I will march out with them.

Mr. MINTON. I will say to the Senator from Missouri that he will be accompanied by me and my boys, if that is any comfort to him.

Mr. President, I will not cast a vote to send the Senator's boys to war any more quickly than I would cast a vote to send my boy to war—and that is not at all, unless it is America's war. But, God knows, America may not have the choice.

Mr. CLARK of Missouri. Mr. President, will the Senator yield?

Mr. MINTON. I do not yield to the Senator from Missouri at the moment. I shall be glad to yield later, if the Senator wishes to interrupt me.

Belgium did not have the choice. Holland did not have the choice. Denmark did not have the choice. Norway did not have the choice. Czechoslovakia did not have the choice. Poland did not have the choice. Luxemburg did not have the choice. A man who starts out with the philosophy that all democracies are decadent and should be destroyed, and that his particular race of people are the chosen people to rule the earth becomes a challenge to democracy everywhere.

I am not going to rush into the war. I am not going to go over there and seek out Mr. Hitler on the shores of another land. I only pray God that war will not seek us out over here, on our own shores. But, Mr. President, I do not want America ever to become involved in anybody's war but America's war, for the safety, welfare, and defense of America.

I saw war in Europe. I saw how towns were leveled and made a shambles. I saw the victims of the war. They were carried down the road or trundled along in this vehicle or that vehicle. Beside them came the refugees, the wounded, the suffering, and the dying, in the shambles of war which wrecked their beautiful land and leveled the houses that they

called home. I do not want to see that condition come to America. I do not want America ever to know war at all, unless it be America's war. But I hope that even such a war will never be fought upon American soil.

I make but one plea. In the light of the speech by the Senator from North Dakota, I plead that we shall not stand upon the floor of the United States Senate and make unsubstantiated statements, which are not backed by the facts, insinuating that others want to lead this country into war. I confidently believe that no Member of the Senate or the House of Representatives, and no man in the White House or in the Cabinet, wishes to lead America into war. I believe we are all patriotic. I believe we all love America above everything else, and I believe we are all ready to do what we can to defend America, standing upon America's shores, defending America to the last. My sole plea is that we accord to each other the sincerity of purpose, patriotism, and high and honorable position which we claim for ourselves. I claim it for the President of the United States, as I claim it for myself and my fellow Senators.

Mr. PEPPER. Mr. President, I know that if the spy system of Hitler is functioning today as effectively as it has been functioning every other day, by this time Hitler is pretty well aware of the debate which has occurred in the Senate thus far today.

Mr. BARKLEY. Mr. President, will the Senator yield to me for just a moment?

Mr. PEPPER. I yield.

Mr. BARKLEY. I do not know how long the Senator intends to speak.

Mr. PEPPER. Only a few minutes.

Mr. BARKLEY. I wanted to see if we could not obtain a unanimous-consent agreement to limit debate on the pending bill. We have spent the whole day discussing the European war, and I am not making any complaint of that, though I doubt whether we have accomplished much in the way of legislation. I should like to get on with the bill, and I should like to make an effort a little later to secure action on another bill. I think Senators might now adjust themselves to the possibility of a night session. I still hope that we may at least begin to call the calendar.

I ask unanimous consent that during the further consideration of the pending bill no Senator shall speak more than once or longer than 20 minutes on the bill or any amendment.

The PRESIDING OFFICER (Mr. HILL in the chair). Is there objection to the request of the Senator from Kentucky that during the further consideration of the pending bill no Senator shall speak more than once or longer than 20 minutes on the bill or any amendment?

Mr. McNARY. Mr. President, personally I have no objection to the request. I think the able Senator from Massachusetts [Mr. WALSH], who is in charge of the bill, and other Senators should be in the Chamber. I therefore suggest the absence of a quorum.

Mr. BARKLEY. Mr. President, I do not want to interfere with the Senator from Florida, but I will say to the Senator from Oregon that the Senator from Massachusetts told me that he could conclude anything further he had to say on the bill in 20 or 30 minutes. The suggested arrangement would give any Senator 40 minutes in all.

Mr. McNARY. I withdraw my suggestion of the absence of a quorum.

Mr. PEPPER. Mr. President, as one citizen and Senator of this country, I am indeed sorry that Hitler will receive information as to the remarks which have been made in this body today, because they will give him—I am sure completely beyond the intention or design of any Senator who has spoken—much consolation and considerable assurance; for his policy has always been to divide his enemies and attack one of them while he lulled into security another which he intended later to attack.

I remember the fable of Aesop, in which a lion designing to devour three bulls, finding them all together, thought he had better not attack them at that time; so he stirred up dissension among them. He got them vying with one another, until finally they separated, one in one corner of the field, another

in another corner, and the third in a third corner, and singly he devoured them. So Hitler now has considerable reason to believe that the apostles of appeasement have already begun to establish their leadership in the United States.

Senators are already saying, "We do not see any unavoidable necessity of conflict between this country and Hitler. It may be he will not attack us. It may be there will be no war with him in which we shall have to engage. It may be he will relinquish his designs upon our country and our continent. Let us see if we cannot find some method by which we can adjust our conflicts, attain some harmony of purpose between Hitler and ourselves."

Senators have not yet begun to hear the last of that argument. They will hear it day by day as the conflict grows more crucial all over the world. If the British Empire collapses and Hitler stands dominant astride four continents, with his power the superior force in all the world, with little nations cringing in their footsteps before the wicked eye he may turn upon them, we shall hear yet other apostles of appeasement say, "There is no use in our incurring his enmity. He is a powerful man. His country is successful in a marvelous 'blitzkrieg.' Let us stay on good terms with him." If that counsel prevails like a cancer that eats out one's vitals, our own will to defend ourselves is going to be destroyed by the Chamberlains of the United States Congress and the United States of America. Every argument which the able chairman of the Senate Naval Affairs Committee made here today was made in the House of Commons by Chamberlain, and by Baldwin, and by others who thought as they did.

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

Mr. PEPPER. No; I decline to yield.

Mr. HOLT. I want to—

The PRESIDING OFFICER. The Senator declines to yield.

Mr. PEPPER. They were just as sincere as the able Senator from Massachusetts was today; and we who admire him and love him know that he spoke from the bottom of his heart. Does anybody question Chamberlain's sincerity?

I happened to be in the House of Commons in 1938, and I saw the telegram that was handed to Chamberlain by a messenger from Lord Halifax, who sat in the Lords' gallery and looked down upon the Commons in session. At that time Chamberlain was already speaking, thinking perhaps that he would have to advise the Commons that there was no escape from war. While he spoke, the telegram was put in his hands. It was an invitation from Hitler to come to Munich the second day after that day and sit down in consultation with him.

Does anybody deny that Chamberlain was sincere? He was trying to keep war away from Great Britain. He was trying to save the fine sons of British mothers and fathers. He was trying to keep the blood of Britons from pouring like rivers around the earth. Gracious alive! Does anyone think the Prime Minister of Great Britain would have tucked his coattails behind an umbrella and, almost cowering, have gone to Hitler's castle upon a mountaintop and humbled himself before that heartless man if he had not been trying to save the blood of Englishmen?

He is not privately a coward. Chamberlain is a man of peace, willing to give almost anything for peace. When he came back from Berchtesgaden and reported to his people I was in London, and saw the newspaper headlines, and heard the radio announcements. I saw the people standing around the bulletin boards. I saw clerks in stores so nervous they could hardly wait on customers. They did not want war. They were praying, every time they got on their knees, that a just God would somehow or other bring civilization's principles to play in Hitler's heart. They were trying to believe what he told them; that all he wanted was to put Germans back into the Reich and let Germans have the right to live together.

The British are not cowards. Their history proves that. They fought when things were well and when they were ill. But old Chamberlain, honest of heart, said, when he got out

of the airplane at the airport, when he held up the agreement that he and Hitler had signed, "This means peace in our time"—the peace he loved.

He believed Hitler, and he let him have Czechoslovakia; and when Hitler got Czechoslovakia, that is when the Germans broke through to Paris. When they got Czechoslovakia at Munich, when they stole it from old, trusting Chamberlain, that is when they got to Paris. That is what prostrated broken and bleeding France today.

It was Munich. Had it not been for Munich, had the democracies come together; had the people who have decent sentiments in their hearts risen up with vigorous accord, there would not have been any trampled France; there would have been no crushed Belgium, no devastated Holland, no vassal Denmark, no enslaved Norway, nor would there be now the bloody brigands of Hitler and Mussolini who are dividing up the world in a game of loot the like of which the world has never seen.

And so these other appeasement apostles were sincere. They said, "Let us get along with Hitler." Right here in this Capitol, in January of 1938, two eminent British visitors came. I happened to be one of a group that sat down to dine with them. In that conversation they said—and they were supposed to be an influential group in Great Britain—"Perhaps if we will just let Hitler have enough, his appetite will be satisfied. Perhaps our fault heretofore has been in not giving him enough as fast as he asked for it."

They wanted peace, also, when they proposed that policy; so, Mr. President, they let Hitler break through Czechoslovakia. He trampled down their defended and fortified frontier. He took over the Skoda munition works, the greatest in the world; and some of the big tanks that broke through the line of forts in France were made in the Skoda munition works which Hitler stole from Chamberlain at Munich.

That is what appeasement got Great Britain. That is what it got Czechoslovakia. That is what it got Belgium and all the other vassal states of Europe which now cringe before the sword of Hitler. Yet when I hear the chairman of the Naval Affairs Committee of the United States Senate offer a justification for Hitler today, I thought to myself, "My God! How Hitler must smile when he hears that news."

The able chairman of the Naval Affairs Committee said the Versailles Treaty was the cause of this war. Mr. President, the newspapers this afternoon tell of another armistice. It is going to be laid down in the same railroad car at Compiegne where Foch handed the terms to the German representatives in 1918. The able Senator says that those harsh terms, which later found fruition in the Treaty of Versailles, were what angered the German people, struck them to the quick, and imbedded in them an intense ambition to get revenge. If harsh treaties, harshly imposed, cause war by leading to vindictive and vengeful sentiments, let us see what an example in magnanimity, in generosity, in Christian sentiment, Adolf Hitler is going to exhibit in the terms of peace which he, with his own bloody hands, hands to the French representatives in the same railroad car, over the same table, where the Germans received those terms in 1918. Let us see how generous Adolf Hitler is, this great statesman. We shall see whether he exhibits charity or whether he does not.

But, Mr. President, let us glance at the difference between the victims of Hitler's armistice terms and the victims of Foch's armistice terms.

The Senator from Massachusetts indicated that the Germans now are just trying to right a great wrong. That is what the Germans say.

Wrongs to Germany's military honor now righted, DNB says in the afternoon paper.

DNB is the official German radio station. Well, Senators, what wrong caused Germany to march into France in 1914? Was there any old treaty of peace that had been inflicted upon the Germans by any French conqueror that gave them the cause they were trying to vindicate in 1914?

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

Mr. PEPPER. No; I decline to yield.

Mr. HOLT. I want to answer the Senator.

Mr. PEPPER. I decline to yield.

Mr. President, the last war between Germany and France before 1914 had been in 1871. Who imposed the terms of peace in the Palace of Versailles in 1871? It was Bismarck, the Iron Chancellor of Germany. The Germans were the victors in that war. They exacted a billion dollars in gold as an indemnity, as they occupied the heart of France.

What caused that war? Had France attacked Germany? Had Frenchmen endeavored to take some of Germany's soil? Had they taken any of her colonies? What single justification was there for the order which sent the German legions across the boundaries of Belgium and France in the summer of 1914, when citizens laughed and children played happily upon the Champs d'Elysées in Paris, unsuspecting so heinous a thing as a German attack?

Mr. President, there was no Treaty of Versailles in 1914 when the German columns crashed their way across Belgium and France. The Germans wanted something then just as they want something now. Then, after they, without justification or excuse, had trampled down a major portion of fair France, destroyed her beautiful cathedrals, killed her women and children, murdered the soldiery of the world, and driven the populations of Belgium and France as fleeing refugees into the highways and byways; after 4 long years of cruel war, after the death of nearly 10,000,000 men, men dead never to live again mortal lives, eventually the beast was beaten back to his lair, and his prey, his bloody prey, lay scattered all over the face of the earth, and the heart of humanity was wrung in anguish at what suffering the Hitler of that day had caused, then, because the victors, speaking the sentiments of retributive justice for so heinous a crime, imposed a harsh peace, now, the Germans say, "What a wrong they did us."

Mr. President, that peace was made on the soil of France. The German Army was on the soil of France when that peace was made. The war was fought on the soil of Belgium and France. Germany did not have to be rebuilt, her cathedrals were not destroyed, her children had not seen the scourge of war first-hand, her economy had not been disordered, her fields had not been drenched in blood, where the machines of war had seared every furrow with instruments of death instead of life. No, Germany had not experienced that; only France was the bleeding country which had borne the brunt of this horrible invasion.

Now Hitler is going to right the wrong, is he? I would to God he could right the wrong. I wish he could bring back the leg of that smiling boy who talked to me in the cloakroom here today. I wish he could bring back relatives and friends of mine whom I loved almost like my own life. I wish he could bring back sons of mothers who today must be wondering if we have forgotten the sacrifice they made. I wish Hitler did have the power to right the wrongs of Versailles. But the first wrong I want him to right is the wrong which sent the German soldiery, without reason, justification, or excuse, across Belgium, which Germany had sworn to save inviolate; across France, which had given him no reason to attack.

Think of the perfidy and the iniquity of his heinous effrontery, to make a spectacle in the forest of Compiègne today, as if he had any cause to complain, a beast who already has devoured millions of sons who lived in this generation. If he got justice, if other wrongs were righted, he should be drawn and quartered, and his blood spilled in every stream that runs into every ocean of the earth, so that he would be scattered as far as the orbit and the circumference of this sphere.

For men, and Senators, chairmen of committees, to stand here and talk about a nation with that creed, and leaders with that principle, actuated by that policy, as if we could grasp their bloody hand in friendship, makes me feel as if priests apostate to their faith reached out to grasp the hand of him who sold his master for 30 pieces of silver. I cannot realize that Senators could speak of the doctrine of appease-

ment, even in the Senate of the United States, or of making peace with Hitler. We should not make peace with Hitler if he had never even threatened our shores, if we profess to be honorable men.

Mr. President, I have a paper here in which a story is told which is of perhaps little interest to those who want to defend America. It is the Washington Post, Thursday, June 20, 1940. That was yesterday. The article reads:

REICH PUTS PRESSURE ON URUGUAY TO HALT ANTI-NAZI DRIVE—
BREAK LIKELY IF GERMANS ARE DEPORTED—FEAR MONTEVIDEO MAY
BE FORCED TO SUSPEND CAMPAIGN

MONTEVIDEO, June 19.—Germany is exerting tremendous political and economic pressure on the Uruguayan Government to halt what Berlin calls an unfriendly anti-German campaign, and has threatened to break off diplomatic relations if any Nazi leaders are deported.

Fear is expressed here that this pressure will force the Uruguayan Government to release Nazi leaders now under arrest and drop its plans for energetic measures against Nazi organizations.

The German Government presented a strong diplomatic protest to the Uruguayan Government Monday through German Minister Otto Langmann, demanding immediate cessation of "unfriendly agitation" against Germany. This protest is believed to have been the cause of the Government's action in urging the Chamber of Deputies to go into secret session Monday afternoon to receive a report of its investigating committee.

WOULD LEAVE AT ONCE

Minister of Interior Manuel Tiscornia told last night's secret session of the Chamber of Deputies that Julius Dalldorf, the "Little Fuehrer for Uruguay," had told him that if Dalldorf or other Nazi leaders were deported, the German minister would ask for his passports and leave the country immediately. Since Dalldorf is a member of the legation staff as press attaché it is taken for granted that this message was sent by Langmann.

Despite the Government's efforts to keep the investigating committee's report from reaching the public, the chamber voted to issue a stenographic record of the secret sessions to the newspapers.

Now listen to this:

A plot for military seizure of Uruguay, existence in the German colony here of Nazi military motorized groups operating more than 100 motorcycles, and the fact that the Nazis attribute tremendous importance to Uruguay as a base for operations in South America are three of the outstanding conclusions of the investigating committee.

One more paragraph:

The committee proved alarming Nazi penetration in Uruguayan Government offices, either by placing actual Nazi members in high positions or controlling Uruguayans who occupy positions of responsibility.

Mr. President, I shall not read the remainder of the article, but it indicates that Germany is not waiting, except for the time when she gets ready to attack the northern part of this hemisphere.

In the United States of America "fifth columnists" are exploding bombs, blowing up our defenses. I dare say they know every war plan we have, that they have seen the blueprint of every ship in one way or another. They know how long it would take to mobilize; they know all the elements of our weakness and our strength.

Are we doing that in Germany? Are we trying to set up an American Government in Germany? Are we saying, "Let the bunds live in Germany; let us wear uniforms over there and claim allegiance to the United States, and try to set up a democratic government in Germany"? How long would they last if that were tried? If we went over to one of Germany's neighbors and tried to set up propaganda machines and had a motorized cycle corps, how long would that last?

Mr. President, only democracies lie by until the hand of the avenger is ready to strike. Then we wake up and flounder around, wondering why we did not wake up earlier.

I shall not prolong this, except to say that in this week's issue of the United States News, beginning with page 7 and running through pages 8 and 9, Senators will find an illuminating discussion under the heading, "Nazis Already Invade a Latin American Nation."

A short time ago I made the statement on the floor of the Senate that Hitler had already declared war against the United States, and some Senators were shocked at that statement. The United States adopted the Monroe Doctrine, which looks to maintaining the integrity of the Western

Hemisphere. Is what I refer to interfering with the integrity of the Western Hemisphere? Is it in violation of the Monroe Doctrine? Is it a penetration by force across the boundaries of this continent? If it is, it is already a violation of the Monroe Doctrine. And what have we done about it? Senators say, "No; I do not want to send my boy to shed his blood in war." They are talking about European war. What will they do about Bolivia, Brazil, Argentina, Uruguay, or some other country in South America?

Suppose the Nazis take over the Government of Uruguay. Suppose they then begin to build there an army, to build a navy, and to build an air corps. Let us say that their planes begin to cruise over one boundary and over another boundary. Are we going to send our boys down there then? Are our appeasement Senators going to say, "Oh, that is their affair now"? Remember, Mr. President, that it is farther from New York to Buenos Aires or Montevideo than it is from New York to Moscow. Will we be willing then to send any expeditionary force down to South America? We have not sent one yet, but we know that the Nazis are already in process of penetrating South America.

The appeasement champions said, "Let us not do anything" at Munich. "That is their affair."

The appeasement champions said when the Nazis took over Austria, "Let us not do anything. It is in Europe."

When the Nazis took over Belgium the appeasement champions said, "No; let us not do anything. That is on the Continent."

When Holland was ravished, appeasement champions said "Let us not do anything. That is across the seas from us."

When the Nazis took over inoffensive Denmark the appeasement champions said, "Let us not do anything. That is outside our sphere."

When Norway fell into the grasp of the tiger's claws the appeasement champions said, "Let us not do anything. That is far beyond the seas."

When the Nazis crushed France the same champions of appeasement said, "Let us not do anything. France belongs to the Eastern Hemisphere, and we live in the Western Hemisphere."

And now, if Hitler destroys the British Empire, the same champions of appeasement will say, "Let us not do anything. That is another country."

So, Mr. President, when the Nazis come to South America these champions of appeasement will still say, "Let us not do anything." When they come to Uruguay they will say, "That country is far away. Let us not do anything." When they come to Brazil the same champions of appeasement will say, "Brazil is thousands of miles distant. Let us not do anything." When they come to Colombia and Bolivia and Paraguay and Argentina and Chile they will still say, "Let us not do anything."

When they finally cross the borders and enter into Central America, and finally begin to move their columns into Mexico, and across the Rio Grande there will still be a few isolationists left, there will still be left a few champions of appeasement, there will still be left a few so-called "defenders of America," who will not be willing to do anything until the Nazis send their tanks and their airplanes and their infantry and their motorized columns across the frontiers of our own dear country.

Already we have lost our trade. The magazine to which I referred says that one-half of all South American exports go to Europe. The President is now recommending a \$200,000,000 cartel to develop trade with South America. Who is paying for the exports we have lost? The farmers and the laboring men and the businessmen of the United States. I say that Hitler has made us pay.

We have appropriated over \$5,000,000,000 in the last 3 weeks. Hitler made the farmers and the laboring men and the businessmen of the United States pay for it. We have imposed additional taxes on American citizens. Hitler makes them pay for that. We are already saddling ourselves with the greatest burden we have placed on the backs of our taxpayers in all our history of peace. Hitler makes us bear

that burden. And the yoke that is being placed upon the necks of our people will become more and more galling.

Hitler took our trade away from us, destroyed our Monroe Doctrine, sent "fifth columnists" into every State and city of North America, sent "fifth columnists" and Nazi troops into South America, destroyed nearly every democracy on the face of the earth, destroyed or took over their fleets; and Senators, isolationists, Chamberlains, deluded appeasement champions, will say, "Americans, be calm. There is no danger. Hitler is likely to get in a good humor in a little while. Perhaps when he has eaten up the smaller nations he will be satiated, and let us alone. Perhaps his appetite will be satisfied. Perhaps even his belly will be gorged eventually."

Mr. President, a few years from now, when our standard of living has been thrown back to that of 1835, when we have compulsory military training, when our whole economy is regimented, when freedom is lost in America, we may turn around and ask, "Who lost it for us? Who took it away? Who let this man steal it from under our noses?" And the finger of America will point at just one class of men, the men who could have seen but would not, the men who were honestly deluded—yes, Mr. President, they will eventually be recognized by the citizenry of America, by poor lone mothers of America, weeping for their sons, hoping they will come back from South America, from the jungles of the Amazon. They will be weeping, weeping, wondering if their sons will ever come back from where the real war mongers, who are now the appeasement champions, sent them to rot and to die.

So, Mr. President, let history judge who are the war-mongers of this Congress and who are the defenders of this dear country of ours.

COERCION OF CAMPAIGN CONTRIBUTIONS

Mr. HATCH. Mr. President, I dislike to interrupt the debate which is going on to talk about a mere matter of legislation pending in the Congress of the United States, but I desire to read into the RECORD a bulletin which appears in the afternoon's Evening Star. I read:

The Senate Campaign Expenditures Committee reported today that there was an abundance of evidence that many Missouri State employees had been coerced indirectly into contributing to the senatorial campaign of Gov. Lloyd C. Stark.

I know nothing about political conditions in the State of Missouri. I do know that there is a bill pending in the House of Representatives, which was passed by this body after some few weeks of debate, on the 18th day of March, if I am not incorrect in my memory, which would tend in some degree to afford relief against such conditions.

Mr. SCHWELLENBACH. Mr. President, will the Senator give the name by which that legislation is popularly known?

Mr. HATCH. I should prefer that the Senator from Washington would do that.

Mr. HATCH subsequently said: Mr. President, in connection with the legislation pending in the House of Representatives which I mentioned a moment ago, when I read the bulletin which appeared in this afternoon's Star the sole information I had on the subject was just what the newspaper stated. Since then the chairman of the Senate Committee Investigating Campaign Expenditures, who is now in the Chamber—and I was looking for him—came to me and told me that the chief trouble and difficulty the committee has in instances which he says are correctly revealed by this bulletin is that there is absolutely no legislation which will enable the committee to do anything other than to give publicity to its findings.

I am sure the Senator from Iowa [Mr. GILLETTE] will concur in that statement, and will also concur in the thought that it is necessary for the Congress, either at this session or at some other time, by adequate legislation, to go as far as it can and do as much as it possibly can under the Constitution to prevent such things as this happening.

Mr. GILLETTE. Mr. President—

Mr. HOLT. I yield to the Senator from Iowa.

Mr. GILLETTE. I am very glad to corroborate the statement just made by the distinguished Senator from New

Mexico about the bill to which he refers. The Senator who now graces the chair, presiding over the Senate (Mr. MILLER in the chair), as a member of the special committee, and the vice chairman of it, knows that it is true that we would find our work immeasurably aided if the legislation which has been fostered, introduced, and sponsored by the Senator had passed the House and were now the law of the land.

Mr. HATCH. Mr. President, will the Senator further yield?

Mr. HOLT. I yield.

Mr. HATCH. I merely wish to say to the Senator from Iowa that I had no thought of calling this special legislation to the attention of the Senate. What I wanted to call to the attention of the Senate was the evil which this bulletin reveals.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Calloway, one of its reading clerks, announced that the House had passed without amendment the following bill and joint resolution of the Senate:

S. 2047. An act to divest prize-fight films of their character as subjects of interstate or foreign commerce, and for other purposes; and

S. J. Res. 279. Joint resolution to amend section 4 of Public Resolution No. 54, approved November 4, 1939, entitled "Joint resolution to preserve the neutrality and the peace of the United States and to secure the safety of its citizens and their interests."

The message also announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 9850) to expedite the strengthening of the national defense.

The message further announced that the House still further insisted upon its disagreement to the amendments of the Senate Nos. 35, 36, 37, 38, and 39 to the bill (H. R. 9007) making appropriations for the Department of Labor, the Federal Security Agency, and related independent agencies, for the fiscal year ending June 30, 1941, and for other purposes.

The message also announced that the House had passed the following bills, in which it requested the concurrence of the Senate:

H. R. 6572. An act to amend the Merchant Marine Act, 1936, as amended, to provide for marine war-risk insurance and reinsurance and for marine risk reinsurance, and for other purposes; and

H. R. 9899. An act extending the jurisdiction of the Civil Aeronautics Authority over certain air-mail services, and for other purposes.

HOUSE BILLS REFERRED OR PLACED ON CALENDAR

The following bills were each read twice by their titles and referred, or ordered to be placed on the calendar, as indicated below:

H. R. 6572. An act to amend the Merchant Marine Act, 1936, as amended, to provide for marine war-risk insurance and reinsurance and for marine-risk reinsurance, and for other purposes; and the Committee on Commerce.

H. R. 9899. An act extending the jurisdiction of the Civil Aeronautics Authority over certain air-mail services, and for other purposes; to the calendar.

EXPEDITION IN NAVAL SHIPBUILDING

The Senate resumed the consideration of the bill (H. R. 9822) to expedite naval shipbuilding, and for other purposes.

Mr. HOLT obtained the floor.

Mr. CLARK of Missouri. Mr. President, will the Senator yield?

Mr. HOLT. I yield.

Mr. CLARK of Missouri. During the remarks of the distinguished Senator from Indiana some controversy arose as to what had actually happened in the Committee on Military Affairs during the investigation of the sale to France of planes designed for the American Army somewhat over a year ago.

I simply desire to call attention to what actually happened. The entire testimony before the Committee on Military Affairs was taken in shorthand. My motion to make that record public was voted down. Then, despite the tremendous surge of popular opinion in favor of making the record public, the record never was made public, but a new hearing was held, in which the witnesses were supposed to repeat what they had said in the first hearing. Even the second hearing did not completely and adequately report the testimony before the Military Affairs Committee.

I hold in my hand the record which was finally given out, after two or three tries, after all the witnesses had testified two or three times and two or three times had been afforded the opportunity of correcting and deleting their testimony. I hold in my hand the record of the hearings before the Committee on Military Affairs of the United States Senate, Seventy-sixth Congress, first session, on H. R. 8379. I invite any Member of the Senate or any citizen of the United States to examine that record and note the large number of instances in which stars and asterisks are printed. I happen to note one instance on page 210, two on page 211, three on page 212, one on page 213, and various other instances in which stars indicate that the essential testimony, to part of which I referred this afternoon, has been deleted in the publication of the testimony. I call to the memory of the Senator from North Dakota [Mr. NIEL], the Senator from North Carolina [Mr. REYNOLDS], and the Senator from Colorado [Mr. JOHNSON], whom I happen to see sitting immediately before me, some of whom are members of that committee, certain facts and testimony of the very greatest importance, which does not appear in the published testimony.

The Senator from Indiana has referred to the attitude of the Secretary of War, the Honorable Harry H. Woodring. In my opinion, Secretary Woodring was a very able and extremely efficient Secretary of War. He worked in closest harmony with the officers of the General Staff and the officers who had responsibility for the military defense of the United States. From the testimony which I heard as a member of the Military Affairs Committee and what I read in the public press, I am of the opinion that Secretary Woodring has been sacrificed—for political purposes, of course, because a coalition Cabinet was desired—but much more fully, because of his objection to giving away instruments and weapons essential to the defense of the United States. There is no point in the Senator from Indiana, the Senator from North Dakota, myself, or anybody else expressing his opinion as to what the position of the Secretary of War was. I apprehend that his position with regard to the conduct of the War Department in the past few years may be best expressed in the letter which he wrote to the President of the United States in resigning. I have no personal knowledge of the letter, and all I know about it is what I have seen in the stories which have been printed in the newspapers, one of which was ostensibly on the authority of the Secretary of War, Mr. Woodring, some time ago.

Mr. President, I call attention to the fact that a very unusual procedure has been followed in this case. Ordinarily the whole correspondence in connection with the resignation of a Cabinet officer is given out from the White House as a matter of course. In this case the Secretary to the President stated that the letter of resignation of the Secretary of War was too personal to be made public. Personal to whom, Mr. President? Certainly the Secretary of War, if he had assigned any particular personal reason, such as illness in his family or personal illness, would have had no objection to the letter being made public. As a matter of fact, it does not appear that the Secretary of War had any objection to the letter being made public. It seems to me that possibly we can best arrive at the position of the outgoing Secretary—I will say the kicked-out Secretary, who I think was a very great Secretary—by an examination of the letter which he wrote the President when he resigned.

Something has been said by several Senators today about the desirability of making public that communication. Let me say, Mr. President, that if it is not forthcoming it is

my intention, before the Senate adjourns tonight, to introduce a resolution requesting the President of the United States, if not incompatible with the public interest, to make public the letter in which the Honorable Harry H. Woodring resigned as Secretary of War.

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

Mr. HOLT. I yield.

Mr. MINTON. I merely wish to add to the RECORD that while he was Chief of Staff, General Craig also agreed with the policy of selling airplanes and other materials to foreign countries. I read from General Craig's testimony before the Military Affairs Committee on the subject on the 28th of January 1939:

General CRAIG. In reply to the Senator's inquiry regarding the advantage we would derive from selling planes abroad, I think, and have thought before, that it is the soundest kind of proposition for the United States to seek the placing of its airplane products in foreign countries. It would settle the question that has been brought up about maintaining work on a permanent basis in our factories. It settles the question, which is a terrible bugaboo, of obsolescence of planes.

And so forth.

Mr. CLARK of Missouri. Mr. President, will the Senator from West Virginia yield to me to permit me to ask the Senator from Indiana a question?

Mr. HOLT. I yield.

Mr. CLARK of Missouri. The Senator from Indiana does not contend, of course, that that conversation had any reference to the sale of planes actually in the possession of the United States Army?

Mr. MINTON. Not at all.

Mr. CLARK of Missouri. I do not know whether or not the Senator was present when I asked General Craig a question before the committee, which question does not appear in the record, I freely admit, but which I am sure certain Members of the Senate who were members of the Military Affairs Committee at that time will recall. I told General Craig that I was not interested in the opinion of the General Staff; that I myself had once been a member of the General Staff, and that I knew that the opinion of the General Staff was the opinion of the Commander in Chief, which he told the General Staff to have, but that I was interested in his opinion. General Malin Craig was a great Army expert, a man for whom I had great respect, under whom I myself had served. I asked General Craig the question:

Do you believe in selling any planes to foreign powers which appear to be necessary to the defense of the United States?

General Craig leaned across the table and banged his big fist on the table, and said, "You know damned well I do not." I think certain Members of the Senate will be glad to testify to that. I do not know whether or not the Senator from Indiana was present at that committee meeting.

Mr. MINTON. Mr. President, if the Senator from West Virginia will permit me—

The PRESIDING OFFICER. Does the Senator from West Virginia yield to the Senator from Indiana?

Mr. HOLT. I do.

Mr. MINTON. I am sure I was present, as I was usually present; and the appearance of the Senator from Missouri at a Military Affairs Committee meeting was so infrequent that I am bound to remember it. I think that probably happened.

Mr. CLARK of Missouri. I will say that during the time I was a member of the Military Affairs Committee I never missed a meeting.

Mr. MINTON. Neither did I.

Mr. President, for the sake of the record, and in order to show that the Senator from Missouri [Mr. CLARK], like all the rest of us, is fallible, I read from the record before the Military Affairs Committee on February 21, 1939. The Senator from Missouri was not present. Those present, according to the reporter's record, were Senators SHEPPARD, LOGAN, MINTON, LEE, AUSTIN, GURNEY, and HOLMAN.

Mr. CLARK of Missouri. Mr. President, if the Senator from Indiana desires to go into that subject, the Senator very well knows the practice in the Military Affairs Com-

mittee of meeting right outside the Senate Chamber; and Senators walk in and walk out, depending on the condition of business on the floor. Many of those sessions were held while the Senate was in session, and at many of them I was not present at the beginning of the session; but I do not think there was a single one held during the time I was on the Military Affairs Committee which I did not attend.

Mr. HOLT. Mr. President, I did not rise to discuss this question; but, in passing, I must comment upon the talk of the Senator from Florida [Mr. PEPPER]. He said that we isolationists—and I am an isolationist, and am not afraid to say it publicly—were leading the country into war.

I fear he is badly mistaken. There is no danger from the isolationists of our entering the war. The danger is from the interventionists, these individuals who want to tear Hitler apart and scatter his blood in every stream in the world, as the Senator from Florida says. I do not want to see that happen to anybody. As despicable as Hitler may be, as terrible as he may have shown himself to the world to be, I would not want to see his blood strewn to the world. I have not reached the point of hysteria where I love to look at blood, gory blood, and take delight in seeing it spilled just because I may disagree with somebody who has done wrong and who we all admit has done wrong.

No; it is not the policy of appeasement that is going to get this country into war. It is the policy of involvement and intervention that is going to get this country into war.

I only ask that the people read the record of the speech of the Senator from Florida when he says there is not one man in Congress who would declare war. Read the speech and be your own judge.

Mr. PEPPER. Mr. President—

Mr. HOLT. I yield to the Senator from Florida.

Mr. PEPPER. The Senator is making that as a deduction, I am sure, and does not purport to quote any direct statement which the junior Senator from Florida has ever made. On the contrary, I have repeatedly stated in response to questions of the Senator from West Virginia, and I believe in a colloquy with the able Senator from Missouri [Mr. CLARK] that the junior Senator from Florida would not declare war against Germany or any other power. The Senator from Florida does advocate, as the best way to defend America, to remove America's menace by aiding the Allies in every way short of war that they can be aided to destroy Hitler in Europe, so that we shall not have to worry about him in this hemisphere.

Mr. HOLT. If aiding the Allies would require an act of war, would the Senator from Florida go along on such an act?

Mr. PEPPER. I can answer that question definitely in this way: I am willing to do everything except send American soldiers, sailors, or marines abroad.

Mr. HOLT. Would the Senator be willing to send the Navy to Europe?

Mr. PEPPER. If they could go into some other country's Navy, if that country would man the Navy, I would be willing to let some of them go, if the British would take them and use them against Hitler, but not with American boys.

Mr. HOLT. Would the Senator be willing to turn our Navy over to England?

Mr. PEPPER. I said some of the Navy.

Mr. HOLT. How much?

Mr. PEPPER. As much as I thought would crush Hitler in Europe.

Mr. HOLT. But, if it took all of the Navy to crush Hitler, would the Senator be willing to turn over all of it?

Mr. PEPPER. If I knew that all of it would crush Hitler, we would not need any Navy.

Mr. HOLT. The Senator would take the Navy and send it abroad. Then if the Senator says he is not interested in an act of war, does the Senator mean to tell the Senate that sending our Navy abroad in that way would not be an act of war and constitute our entrance into war?

Mr. PEPPER. I answered the Senator a moment ago. I am willing to do anything that the Commander in Chief of our Army and Navy, the President, with his usual advisers,

might be willing to do that would not involve sending a single American boy as a soldier, sailor, airman, or member of the Marine Corps.

Mr. HOLT. Does the Senator think we could send the Navy abroad without involving America in war?

Mr. PEPPER. I did not say send the whole Navy.

Mr. HOLT. No; I mean, send any part of it.

Mr. PEPPER. I would be very glad to do that, and think it would be a wise thing to do.

Mr. HOLT. The Senator favors, then, sending at least part of our Navy into the battle zones of Europe?

Mr. PEPPER. I did not say that. I said I would be willing to let the British have a part of our Navy which I thought the Commander in Chief, in his opinion, would permit to go, it to be manned by British sailors, and be operated as a part of the British forces, in an effort to keep Hitler from spreading outside of Europe.

Mr. HOLT. Does the Senator say that would not be an act of war?

Mr. PEPPER. It would depend on how Hitler was feeling that morning as to whether it would be an act of war. [Laughter.]

Mr. CLARK of Missouri. Mr. President, will the Senator yield?

Mr. HOLT. I yield.

Mr. CLARK of Missouri. Has anybody the slightest idea on earth that if we were to send our Navy, either the whole of our Navy or part of our Navy, or the whole of our planes, or part of our planes, they would not be surrendered in any sort of situation which might develop which involved the surrender by the nation to which we sent them? In other words, the proposition of the Senator from Florida is completely to denude the United States of its own defenses, pitiful as they may be.

Mr. PEPPER. Mr. President, the Senator states an inaccuracy there, undoubtedly unintentionally, when he says the Senator from Florida would denude this country of its naval forces. We let them have a few mosquito boats, the value of which was \$3,000,000, in order to help in the defense of Great Britain, letting them be sold by private enterprise; and this morning you would have thought the world was going to collapse, to hear some of the disturbance of Senators here in this chamber.

Mr. CLARK of Missouri. Mr. President, will the Senator yield?

Mr. HOLT. I yield to the Senator from Missouri.

Mr. CLARK of Missouri. If that was done in flat contravention of a Federal penal statute, if the defenses of the United States were taken away for the purpose of defending anybody else—anybody in the world, no matter how much we may sympathize with them—I say a criminal act was performed, and I defy the Senator from Florida to tell me why a criminal act was not performed, which ought to be taken cognizance of by the Department of Justice.

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

Mr. HOLT. I yield.

Mr. WHEELER. As I read the speech of the Senator from Florida a few days ago, his seven-point or five-point program—

Mr. HOLT. Seven pillars of wisdom.

Mr. PEPPER. American defense, why not call it?

Mr. WHEELER. I understood he wanted to give the President power to abolish any laws on the statute books which he thought the President might think he should abolish, and, of course, if he had that power, the Senator from Florida would set up a dictatorship in this country, and he would suspend any criminal laws, or other laws. We would do away with the Congress of the United States during that period of time—excepting, perhaps, the Senator from Florida.

Mr. HOLT. That is correct. I intend to discuss that in a moment.

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

Mr. HOLT. I yield.

Mr. PEPPER. If I am not misinformed, the chairman of the Senate Committee on Naval Affairs stated this morning

that the naval authorities, in allowing these boats to go to Great Britain, acted within the authority of the law.

Mr. CLARK of Missouri. Mr. President, if the Senator will permit me, he stated no such thing. He said that the naval authorities claimed that they were not apprised of the existence of that statute. Of course, the Senator from Florida being a graduate of the Harvard Law School is certainly familiar with the fundamental legal principle that ignorance of the law excuses no man. [Laughter.]

Mr. PEPPER. Mr. President, will the Senator from West Virginia yield?

Mr. HOLT. I yield.

Mr. PEPPER. As I understood the explanation of the chairman of the Committee on Naval Affairs, as more particularly adverted to by the Senator from Louisiana this morning, all the Navy had done was to alter a contract which it had with a private shipbuilding firm for the construction of certain craft. They merely altered a contract, as they had a right to do, and by the alteration of that contract they allowed the shipbuilder to retain these ships which it had been building under contract for the United States Government. Then the private shipbuilder, being released from its obligation to deliver those ships to the United States Government, sold them to the British Government. Was that not what they did?

Mr. HOLT. While the Senator is speaking, I should like to ask him a question. Does he feel we can spare any of our Navy to Britain?

Mr. PEPPER. There are two answers to that question. We can spare them upon the same principle that was spoken of by the able Senator from Louisiana, who is a member, as I recall, of the Committee on Naval Affairs, and heard the testimony offered by the Acting Secretary of the Navy to the effect that they can build these boats in 6 months, I believe he said, that they were trying by these experimental orders to develop a shipbuilding capacity which would enable them to build them in bulk, in mass.

Mr. HOLT. Those are mosquito boats, those which can be built in 6 months. I mean the big boats, which really fight.

Mr. PEPPER. I am talking about the boats which were sold and were the subject of criticism this morning.

Mr. HOLT. The Senator said he would send the Navy over. Would he send any destroyers?

Mr. PEPPER. Just a moment. I stated on the floor this afternoon that the junior Senator from New York [Mr. MEAD] told me today, being familiar with the Curtiss activities in Buffalo, that when this law was passed last year, against which the isolationists in this body voted, at that time saying that it would deplete our defenses if we let them be sold over there, the Curtiss factory was building one plane a week. Later on they began to turn out, under the impulse of those orders, one plane a day, and now they are turning out five a day. I understood the same principle to be applicable to the case of the little mosquito boats which were the subject of the debate this morning.

Now, as to the second part of the question, if in the opinion of the Commander in Chief, who is responsible to the country, under the Constitution, for our armed forces, they could be sold without impairing our naval facilities for defense here, then I would say "Yes."

Mr. HOLT. Would the Senator also agree to do that with the warships, the battleships?

Mr. PEPPER. I would apply the same principle; yes; to any craft we had.

Mr. HOLT. That answer is just exactly what I thought the Senator would say.

Mr. PEPPER. Just one moment, and I will answer another phase of it. We have some old destroyers.

Mr. HOLT. I am not talking about old ships. The Senator says he wants to whip Hitler, and you have to whip him with good boats.

Mr. PEPPER. I want to whip him with the old and the new. We have some old destroyers that have been recon-ditioned by the Navy.

Mr. HOLT. That is correct.

Mr. PEPPER. I would be willing directly to sell the British those destroyers if they would do them any good, and they would pay for them, and deliver them under their own head of steam.

I believe that crushing Hitler in Europe is so vital to the United States that whatever could be done with the approval of the Commander in Chief, advised by the Army and Navy authorities, I am in favor of, because I know if we destroy the danger at its source there is no danger of it spreading over here.

Mr. HOLT. The Senator even said it would take 6 months to build these boats. But listening to him today, he would have Hitler on the Panama Canal before long. First he had him in France and England, then in Uruguay, in South America and Central America, and, frankly, I am looking for him in Washington tonight. Of course, it may be the Fourth of July.

Mr. PEPPER. He has his agents in Washington tonight; the Senator need not worry about that.

Mr. HOLT. I think that is correct, I do not deny that at all, but if we are in the danger the Senator from Florida says we are, why should he strip our Navy and our Army of the defenses needed to stop Hitler, if he should come over here?

The PRESIDING OFFICER. The Chair admonishes Senators who have the floor that an enforcement of the rule has been suggested, and the rule provides that a Senator may yield only for a question, and not for a running debate. I hope no request will be made for an enforcement of the rule.

Mr. PEPPER. Mr. President, will the Senator from West Virginia yield?

Mr. HOLT. I yield.

Mr. PEPPER. How many miles is there in the coast line of the Western Hemisphere for the American Navy to defend, from the northern part of Iceland around the coast to Alaska?

Mr. HOLT. I cannot answer that. I do not know.

Mr. PEPPER. Will the Senator believe it if I say that the hydrographic service says it is more than 43,000 miles?

Mr. HOLT. I would believe that.

Mr. PEPPER. The Senator will admit that under the Monroe Doctrine we have the obligation to defend with our Navy the whole Western Hemisphere, does he not?

Mr. HOLT. That is correct.

Mr. PEPPER. What is the distance from Brazil to the coast of Africa?

Mr. HOLT. The Senator is trying to teach me geography. I cannot answer him. I do not know.

Mr. PEPPER. It is about 1,400 miles.

Mr. HOLT. The Senator from Arizona, who knows almost everything, says 1,600.

Mr. PEPPER. Very well, let us say it is 1,600 miles. Is it a shorter distance or a longer distance from the United States of America to Brazil?

Mr. HOLT. I know that if we have 43,000 miles of coast line to defend we cannot spare one destroyer, one mosquito boat, one warship, or one plane. Let us keep them to defend those 43,000 miles, and keep them on this side of the Atlantic.

Mr. PEPPER. Will the Senator yield?

Mr. HOLT. I yield.

Mr. PEPPER. Does the Senator deny the information that was quoted on this floor, that a combination of the fleets of France, Italy, and Germany would be approximately equal to the strength of the British Fleet?

Mr. HOLT. I could not say; I do not know about that.

Mr. PEPPER. If the Senator would indulge the presumption that they would be about equal—

Mr. HOLT. Yes.

Mr. PEPPER. Then if we add the Japanese Fleet as a danger to that combination—

Mr. HOLT. Why not throw in the Swiss Fleet with them? [Laughter.]

Mr. PEPPER. I do not think there is any particular danger from the Swiss Fleet, but it seems to me we have

enough of the United States Fleet in the Pacific Ocean to indicate that there might be a little danger from the Japanese Fleet.

Mr. HOLT. Will the Senator really tell the Senate why the fleet is in the Pacific? Is it not to protect British interests, as well as our own?

Mr. PEPPER. Mr. President, the Senator is a Member of the United States Senate—

Mr. HOLT. And I am a member of the Committee on Naval Affairs, too.

Mr. PEPPER. Quite right. If the Senator has any evidence to that effect, I think it would be well for him to state it.

Mr. HOLT. I should be glad to state it. I should be glad to ask the Senator what Captain Ingersoll said in 1938, when he went to London and discussed the plans of cooperation between the English Navy and the United States Navy. What did they mean? Time after time the English Government officials said, "We have a parallel and coordinate policy with the United States in the Pacific." I have the document in which that is stated, and I ask permission to place it in the Record at this point in my remarks. I do not have it with me at the time, but I want it in the Record.

The PRESIDING OFFICER. Is their objection?

There being no objection, the matter was ordered to be printed in the Record. The statement from the Round Table as to the activities of Captain Ingersoll in the parallel policy of Great Britain and the United States in the Pacific is here printed in full as follows:

Capt. R. E. Ingersoll, Chief of the War Plans Division of the Navy Department, spent late December and early January in London, conferring with the Admiralty. His outward mission was to find out what is happening technically in British naval construction, particularly as concerns new battleships and the caliber of guns they mount. Another obvious job was to find out if the Admiralty possesses any information unknown in Washington about the rumored new Japanese battleships supposed to be of some 46,000 tons and mounting 18-inch guns. But a mission of even more importance to both Governments, it may safely be assumed, was to discuss the possibility and ways and means of naval cooperation in the Far East. Captain Ingersoll's unheralded visit suggests in essence the exchange of information in prewar days—or in the last year or two—between Paris and London, but it has no such precedent in Anglo-American relations.

When the general public comes to know of these goings on, opinion may well take fright, reasonably or not.

Also, from the book, *And So to War*, written by Hubert Herring, one notes this discussion of Captain Ingersoll's visit:

On the question of an agreement with Great Britain, it was revealed that Captain Ingersoll, the naval chief of war plans, had recently spent some days in London. His visit was kept a great secret, and was only accidentally revealed. Congressman Brewster, of Maine, and others demanded the meaning of that visit. Admiral Leahy refused to say what had transpired. He would, he said, explain only in executive session. Was there, then, some sort of arrangement with Great Britain? Secretary Hull promptly repudiated the notion. But, on February 9, Arthur Krock, Washington correspondent of the New York Times, and generally credited with unusually close relations with the White House, the State Department—and with the British Embassy—wrote that American consultations with Great Britain and France looked toward parallel actions "in the event of one of the only two days the democracies can envisage at any time in the near future." "This correspondent," says Mr. Krock, "is expertly informed that, should it at any time serve the common interests of the two great democracies, their navies would automatically complement each other in the Pacific. He is more inclined to think the complementing would be the result of a very private and common-sense understanding among experts and political realists." But, of course, there is nothing formal about such an agreement. "This is the kind of understanding," continued Mr. Krock, "that is hardly more than a wink or a nod, the sort of thing not Mr. JOHNSON (Senator HIRAM JOHNSON of California) or anyone else can extract from men's inner minds by means of a resolution. This is what irritates them, and makes them anxious, too. For these groups sincerely believe we should have a foreign and defense policy that is totally exclusive, even when it would serve our immediate interest to do otherwise; that our fleet should be no larger than sufficient to defend our coasts and possessions—not the Philippines—and that to exchange even a wink with Great Britain will surely involve us in a war."

The puzzled public had all this to mull over.

Mr. Hull said that we had no agreement with Britain.

Admiral Leahy said that he wouldn't tell anything except in executive session.

Mr. Krock spoke of a nod and a wink.

The skepticism of the general public was voiced by Senator ROBERT M. LA FOLLETTE. "Millions of citizens," he insisted, "want to know what occasions this increase of naval armament and what foreign policy the Navy is intended to implement."

Mr. PEPPER. Does the Senator agree to the British statement that the United States Government and the British Empire both have interests in the Pacific?

Mr. HOLT. We both have interests there now.

Mr. PEPPER. Then it is only proper that we should be out there looking after our interests also, is it not?

Mr. HOLT. Leave the word "also" out and I will agree—

Mr. PEPPER. The Senator probably wants the British Fleet to look after Hawaii, Guam, and the western coast of the United States?

Mr. HOLT. No; we should look after them. The British Fleet should look after the British possessions.

The PRESIDING OFFICER (Mr. MILLER in the chair). Let the Chair admonish Senators that the rule will be enforced from now on in debate. The Senator may yield for a question. He may not yield for a statement in the guise of a question.

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

Mr. HOLT. I yield to the Senator from Iowa for a question.

Mr. GILLETTE. Will the Senator yield to me to read the law that has been discussed here?

Mr. HOLT. I should like to do so, but I am supposed to be a special character, and the rule is supposed to apply in respect to me. I do not hold anything against the Presiding Officer for enforcing the rule. I realize the fairness of the Presiding Officer, and do not condemn him for his ruling.

Mr. GILLETTE. Mr. President, will the Senator yield for a question?

Mr. HOLT. I yield for a question.

Mr. GILLETTE. I ask the Senator from West Virginia if this is not the law of the United States at the present time as presented in the Naval Affairs Committee—

The PRESIDING OFFICER. The Chair will say that the rule does not enable any Senator to interrupt for the purpose of asking a question which calls for an answer such as the question now asked calls for. The Senator from West Virginia may ask unanimous consent that he may yield to the Senator from Iowa for the purpose of reading the statute.

Is there objection to such request? There being no objection, the Senator from Iowa may proceed.

Mr. GILLETTE. Mr. President, in the colloquy between the distinguished Senator from West Virginia and the equally distinguished Senator from Florida, there seems to be a misapprehension on the part of the Senator from Florida as to what the present law is with reference to the possibility of the United States giving up any authority over vessels that are being constructed for the United States for the purpose of transfer to a belligerent nation. In that connection, with the permission that has been so kindly secured by the Chair, I will again read this law, which was passed June 15, 1917:

During a war in which the United States is a neutral nation, it shall be unlawful to send out of the jurisdiction of the United States any vessel built, armed, or equipped as a vessel of war, or converted from a private vessel into a vessel of war, with any intent or under any agreement or contract, written or oral, that such vessel shall be delivered to a belligerent nation, or to an agent, officer, or citizen of such nation, or with reasonable cause to believe that the said vessel shall or will be employed in the service of any such belligerent nation after its departure from the jurisdiction of the United States (June 15, 1917, ch. 30, title V, § 3, 40 Stat. 222).

Whoever, in violation of any of the provisions of sections 25, 27, and 31 to 38 of this title, shall take, or attempt or conspire to take, or authorize the taking of any such vessel, out of port or from the jurisdiction of the United States, shall be fined not more than \$10,000 or imprisoned not more than 5 years, or both; and, in addition, such vessel, her tackle, apparel, furniture, equipment, and her cargo shall be forfeited to the United States (June 15, 1917, ch. 30, title V, § 6, 40 Stat. 222).

Mr. HOLT. I thank the Senator from Iowa. I should like to proceed and discuss the proposition of defense. I may say I have no quarrel—

Mr. CLARK of Missouri. Mr. President, before the Senator goes to that, will he yield?

Mr. HOLT. I yield.

Mr. CLARK of Missouri. I will not again interrupt him. Mr. HOLT. I have no objection to the Senator interrupting me.

Mr. CLARK of Missouri. I am anxious to hear the speech of the Senator from West Virginia. I merely desire to ask him if, in his opinion, the Senator from Florida were created a dictator, for which he shows every temperamental qualification, and was able to turn the Navy of the United States, without personnel, over to a belligerent power, and then the United States should be attacked, assuming that Navy had been lost or been surrendered—if the United States were attacked, what would the thousands of blue-jackets who had been enlisted in the United States Navy be able to do in the defense of the United States except to stand on shore and shoot at the invaders?

Mr. HOLT. I believe they could begin practicing in row-boats on the Florida ship canal.

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

Mr. HOLT. I yield for a question, so that I may maintain the floor.

Mr. PEPPER. Will the Senator be kind enough to ask the able Senator from Missouri just what he meant by the statement that the Senator from Florida had exhibited a temperamental fitness to be a dictator? I should be glad to have the Senator state what he means by that statement.

Mr. HOLT. Mr. President, I shall ask unanimous consent to have the Senator from Missouri tell the Senate what he thinks about the Senator from Florida.

Mr. CLARK of Missouri. Mr. President, I can go into the matter in the form of a question.

Mr. HOLT. I yield for a question.

Mr. CLARK of Missouri. Does not the Senator from West Virginia know that the other day the Senator from Florida put into the Record, in a thumbnail fashion, a plan of dictatorship designed for the United States which would make Hitler blush?

Mr. PEPPER. Mr. President—

Mr. HOLT. I am going to discuss that for a moment, but I yield to the Senator from Florida first.

Mr. PEPPER. I ask unanimous consent, Mr. President, to refer to the proposal to which the Senator from Missouri adverted.

Mr. HOLT. I intend to do that in my own time, Mr. President. I shall discuss all seven of those points in order, so the people of the country can see the first blueprint of dictatorship in America.

Mr. PEPPER. Will the Senator yield for a question?

Mr. HOLT. Yes; I yield to the Senator from Florida.

Mr. PEPPER. The Senator is going to read the proposals and refer to them?

Mr. HOLT. Yes. I shall read all seven of them, and then discuss them.

Mr. PEPPER. The Senator is also going to read the language in connection with each one of those proposals that indicates that each one of them is for the defense of America, is he?

Mr. HOLT. I will not agree that they are for the defense of America.

Mr. PEPPER. But the Senator is going to read them?

Mr. HOLT. I would hardly agree with the statement of the Senator from Florida that they are for the defense of America.

Mr. PEPPER. Is the Senator going to read the language at the beginning of the seven points, as follows:

Confer upon the President full wartime power to prepare and defend America?

Mr. HOLT. Yes.

Mr. PEPPER. Very well, if the Senator does it that way—

Mr. HOLT. I intend to do it in my own time. I shall discuss each of the points.

Mr. PEPPER. Will the Senator point out very clearly in his speech that the power which the Senator from Florida proposed to confer was not upon the Senator from Florida, but upon the duly elected President of the United States, whom ever he may happen to be before November and after November?

Mr. HOLT. That is correct. I intend to discuss that in a moment. Of course it does not make any difference—any placing of power in the hands of an individual is the same, whether it is here or any place else. But I was very much interested when the Senator was speaking—I listened to him with a good deal of interest—I may say with wonder, when he spoke about the fact that he wanted us to stop Hitler and just tear him apart. He just wanted to tear him apart, and he wanted to drop a drop of the blood in Ohio, he wanted to drop a drop of his blood in Mississippi, and then two drops of blood in South America. He says the reason he wants to do that is that Hitler is going to take our trade—and I wrote down the exact language—take our trade away from us. In other words, America is going to kill her soldiers, her boys because of trade.

Mr. PEPPER. Will the Senator yield for a question?

Mr. HOLT. I yield for a question.

Mr. PEPPER. Does not the Senator recall that the description that the Senator is referring to was used by the Senator from Florida after he was describing the suffering that Hitler had brought upon the world, and the deaths that he had caused by his unprovoked attack in bringing on this war?

Then I stated in substance, after describing the suffering and the deaths that he had brought upon the world by his aggression, that as retribution for what he has done, if he received his justice, that is what would happen.

Mr. HOLT. I am sorry the Senator, after an hour of thinking it over, admits the same thing—that he would tear him limb from limb, scatter his blood from one end of the world to the other. But it will not be scattered by any Member of the United States Senate. Let Senators not fool themselves about that. It will be scattered by the boys who are sent to spill their blood, not our blood.

The Senator speaks of our country spending \$2,000,000,000 for the establishment of a cartel, because of Hitler. It is better to spend \$2,000,000,000 for the establishment of a cartel than it is to sacrifice the boys of the United States on the battlefields of Europe. Yes; it is a great deal better to do that.

The Senator speaks about how much we are spending because of Hitler. If we get into this war, as some individuals might like to see us do, we will spend that money more quickly and more destruction will be caused. The boys will lose, not money, which is something that can be replaced, but they will lose their own lives. They will lose their lives if we continue this policy of intervention, this policy of involvement in wars abroad.

The Senator says that he is in favor of the Monroe Doctrine. And in the next breath he shows he is not in favor of the Monroe Doctrine.

What do I mean? He is in favor of one part of the Monroe Doctrine, which says to Europe, "Stay out of America." How does he feel about the other part of the Monroe Doctrine, which tells Europe that the United States will stay out of Europe? He wants to go into Europe and become involved in Europe's affairs. He does not believe in that part of the Monroe Doctrine.

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

Mr. HOLT. However, he believes in defending the Monroe Doctrine over here, from the Florida ship canal down to the lower tip of South America.

Mr. PEPPER. Mr. President, will the Senator yield for a question?

Mr. HOLT. I yield to the Senator from Florida.

Mr. PEPPER. Has the United States any "fifth column" operating in Germany?

Mr. HOLT. I could not say as to that.

Mr. PEPPER. Have the Germans any "fifth column" operating in the United States?

Mr. HOLT. Yes; they have; and so have the English.

Mr. PEPPER. Have the Germans any "fifth column" operating in South America?

Mr. HOLT. Decidedly; and so have the British. The Senator does not seem to see any "fifth column" unless it has something Germanic about it.

Mr. PEPPER. Will the Senator be good enough to describe the British "fifth column," comparable to the German "fifth column" in this country and in South America?

Mr. HOLT. I shall be glad to do so by explaining who the associates of the Senator from Florida are.

Mr. PEPPER. The only trouble—

Mr. CLARK of Missouri. Mr. President, a point of order.

The PRESIDING OFFICER. The Senator will state it.

Mr. CLARK of Missouri. I must object to the Senator from West Virginia yielding for anything except a question.

Mr. PEPPER. Mr. President, will the Senator from West Virginia yield for a question?

Mr. HOLT. I yield to the Senator from Florida for a question.

Mr. PEPPER. I shall be glad if the Senator will specify any of the associates of the Senator from Florida who he says are comparable to the German "fifth column" in the United States. Name them publicly.

Mr. HOLT. I shall be glad to name them for the Senator, starting with the best one, Lord Lothian, with whom the Senator likes to have tea.

Mr. PEPPER. Will the Senator specify one time when the Senator from Florida has ever had tea with Lord Lothian?

Mr. HOLT. Yes.

Mr. PEPPER. Let the Senator name it.

Mr. HOLT. I remember the garden party, which the Senator got all "diked up" to attend.

Mr. PEPPER. Lord Lothian was not here at that time. That was at the British Embassy, at the time of the visit of the King and Queen of Great Britain. The Senator from Florida, because he was a member of the Senate Foreign Relations Committee, received an invitation, as did every other Senator who was a member of the committee. I do not believe the Senator from West Virginia received an invitation.

Mr. HOLT. Oh, yes.

Mr. PEPPER. I believe finally the list was expanded.

Mr. HOLT. That is true. I am not on the social lists around Washington.

Mr. PEPPER. Except for the occasion of the visit of the King and Queen, when the Senator from Florida attended the garden party, does the Senator know of any time when the Senator from Florida had tea with the British Ambassador?

Mr. HOLT. I shall discuss that question later.

Mr. PEPPER. The Senator has made the statement on the floor. When was it?

Mr. HOLT. I will tell the Senator, in most emphatic language, a number of instances in which the Senator has conferred. The British do not have to have propagandists. They have native American propagandists.

As to my invitation to the tea, let me discuss that with the Senator.

Mr. PEPPER. Mr. President—

Mr. HOLT. Just a moment. I have the floor, and I wish to discuss with the Senator the tea in which he was so much interested. He said that I did not receive an invitation. I admit that at first I did not receive an invitation. That was too bad. I was chagrined because I was not invited to go and kowtow before the King and Queen, and wait for 5 minutes after the King and Queen walked by so that I would not follow in their footsteps and step on the place where they had trod. Sir Ronald Lindsay, the British Ambassador at that time, said that going to the English garden party was like going to Heaven. Only a few got to go. Of course, I was not one who was entitled to go to the English heaven, as was the Senator from Florida. But let me say that finally, when the invitation was given to me, I declined because I had a great amount of work to do. If the Senator from Florida could have waited for a year, he could have gone to the same Embassy for a dollar instead of having to buy a new suit to go when the King and Queen were here. [Laughter.]

Speaking of the King and Queen, I should like to quote from Lord Lothian's magazine about how the King and Queen helped to propagandize America. He discusses the

visit of the King and Queen. I have that document somewhere among my papers.

Mr. President, I ask unanimous consent to have the document to which I refer printed in the RECORD at this point in my remarks. It deals with how the King and Queen propagandized America.

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

THE ROYAL VISIT

Now to a much pleasanter subject. The visit of the King and Queen is now 2 months old, but its effects remain as an important factor operating upon American public opinion toward the world problem today. Never has a ceremonial visit gone more satisfactorily, at least from the viewpoint of the visited. It must be recalled that, when the royal couple came, British policy and in a sense Great Britain itself were rather under a cloud in American eyes. The abdication crisis had never been accurately understood here, and Mr. Chamberlain's policies were the object of unrestrained criticism. The misunderstanding, of course, dated back at least to Sir John Simon's tenure of the foreign office in 1932. The composite picture was one in which the British ruling classes came off very poorly indeed.

The King and Queen almost completely reversed this picture. They typified something above passing cabinets; they typified the real British nations—all of them. First of all, Americans saw that they should amend their judgment about the abdication crisis. Viewing the queenliness of the Queen, they realized what unspoken motives had been involved in the British decision in 1937. The Queen's triumph, therefore, wiped out a very important source of misunderstanding.

It is a bit more difficult to explain how the royal visit made British policy in recent crises more comprehensible and attractive. The fact is simply this: The King and Queen were so very human and gracious and thoughtful, so altogether faithful and appealing in their impersonation of the British nation, that people said: "The good old British. They're not down yet. Yes, sir; they've got a lot of good qualities. You can depend on them. They're still pretty solid."

Similarly, the peculiar kinship between the United States and Great Britain was symbolized and recognized during the visit. Few Americans were blind to the significance of King George's wreath laid on George Washington's tomb, and few failed to comment upon it. Nothing was overdone about the trip. The itinerary was appropriately short, although it was fearfully intensive for the guests, and the absence of all outward propaganda efforts was entirely correct. All the same, Great Britain got more propaganda, more favorable publicity spread over the United States than she has had since 1918. The importance of this simple factor is not to be overlooked. In sum, the royal visit may be said to have rehabilitated British character in American eyes. And that is no small achievement.

Mr. HOLT. Mr. President, the Senator from Florida talks about the children playing on the Champs Elysees of Paris and how they did not know anything about the causes of war. I agree with him. They knew nothing in the world about the causes of the 1914-18 war, but its cruel hand actually pressed upon them. But the diplomats of France, who also were on the Champs Elysees, knew about the causes of the war.

The Senator asked what caused that war. He said that no treaties were involved. I thought the Senator from Florida was a better student of international affairs than to say that no treaties were involved in the war of 1914-17. I refer him to the book of the able former Senator from Oklahoma, Robert Owen, who showed many of the secret treaties involving Paris, London, Rome, and many, many other places in the world. Oh, yes; those treaties were there. The children did not know about them, just as the children do not know about the treaties and deals before the present war. But they paid the penalty thereof.

The Senator talked about the children of Germany, and said that they did not know anything about the suffering of war. Anyone who has read the history of Germany, and of the world, knows that those poor unfortunate children had no choice of their birthplace.

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

Mr. HOLT. I should like to finish this thought, and then I shall be glad to yield to the Senator.

Those children had no choice of their birthplace. They were born in Germany, just as other children were born in France; and as a result of the terrible war thousands of those little children in Germany, some who were less than a year old, some a year or 2 years old, were starved to death. My heart goes out in pity to them, as well as to the children of all other nations.

The children of Germany were starved as a result of the terrible war. They deserve the pity of every right-thinking person. Deep in their hearts was bitterness and hatred. They are the men who are marching in Europe today. They are the children who were starved as a result of the blockade.

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

Mr. HOLT. Just a moment. Those are the children who paid the price of war. I say again that my heart went out to all of them. Those children had no choice except to pay the penalty of torture for many years, and in many instances death. The children of almost all of the nations of Europe suffered then. We read in the newspapers accounts of persons killed by the bombing attacks of Germany. They are terrible, but on the back page we see a little picture of a child 9 years old, an American, born in the United States, who was killed as a result of the bombing of Germany. The Senator from Florida said nothing about that.

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

Mr. HOLT. I yield to the Senator from New Mexico for a question.

Mr. CHAVEZ. I ask the Senator from West Virginia if it is not a fact that all wars bring horror. Is it not a fact that there are still living within the United States persons who saw the horror of the Civil War?

Mr. HOLT. That is correct.

Mr. CHAVEZ. Persons still living saw the horror that was brought about in the South by the march of Sherman from Atlanta to the sea. All wars bring horror. Is not that a fact?

Mr. HOLT. War, we are told, brings death, taxes, and widows; yes.

Mr. PEPPER. Mr. President, will the Senator yield for a question before he passes from that subject?

Mr. HOLT. I yield to the Senator from Florida for a question, but I hope to hurry on to what I intended to speak about when I got up to talk.

Mr. PEPPER. Very well. I want the Senator to be clear in his statement before he leaves the subject.

Did the German Government enter the war in 1914, and invade Belgium and France, in self-defense?

Mr. HOLT. No; they did not. Neither did England; neither did Russia; neither did France go into that war in self-defense. They went in for trade—the trade the Senator from Florida says we will lose if we do not go into war. If we must choose our trade, or our children, choose our children. The best market for America is within America, not looking across the sea to some foreign market; but the Senator from Florida defended the Treaty of Versailles when even his own tutor, Lord Lothian, will not do that. Yes; he defended the Treaty of Versailles. I stood on the floor of the Senate last year and read into the RECORD what the men who drafted the Treaty of Versailles said about it years afterward. It was one of the most vicious treaties in the history of the world; and I may say that the roots of this war, the roots of Hitlerism, go back to the Treaty of Versailles.

Why do I say that? Hitler is only a symbol of a terrible economic condition in Europe caused by war. Destroying Hitler will not do away with dictatorships. Another will follow in his place. The only way to cure dictatorship in the world is to bring about economic justice for the country so involved.

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

Mr. HOLT. I yield to the Senator from Florida for a question.

Mr. PEPPER. If the Senator from West Virginia charges the Senator from Florida, because of the attitude he has taken in expressing his view as to the best way to defend America, with being the tool and the tutored one of Lord Lothian, I suppose if the effect of the policy of the able Senator from West Virginia is to give aid and comfort to Hitler, then his tutor is Herr Thompson, the German chargé d'affaires in Washington.

Mr. HOLT. I will say to the Senator from Florida that I do not know whom he is talking about. I never met him in my life; but my purpose is not to give aid to anybody except

the people of the United States. I am not pro anything except pro-American, and I am tired of these halfway Anglophiles talking about their Americanism.

Mr. PEPPER. What is the word for Germanophiles that is comparable to Anglophiles?

Mr. HOLT. I do not know. The Senator sleeps and dreams it. He should know.

Mr. PEPPER. I see enough of it here in the Senate to make me keep it in my mind, too.

Mr. HOLT. I cannot answer the Senator in his nightmares at all.

But what does the seven-point program which the Senator wants to set up provide for? He is going to set up this supposedly to save democracy somewhere else. Let me read these seven points in order, and then I may discuss them, or I may just brush them aside; but here they are as given by the Senator from Florida:

1. Confer upon the President full wartime power to prepare and defend America.
2. Universal defense service, so that every citizen may be best trained and placed for the country's defense.
3. Confer upon the President power to suspend all rules, regulations, and statutes, including Army, Navy, and departmental seniority regulations, which in his judgment interfere with the maximum speed in the production, transportation, or manufacture of defense materials.
4. Confer upon the President power to suspend the present debt limitation if in his judgment such limitation interferes with the maximum speed of the defense program.
5. Grant the President the authority to aid in material or credit those countries and nations which in his judgment at this time constitute America's first line of defense.
6. The President and the Congress to begin immediately the preparation and the adoption of a defense budget and a tax program adequate for the national defense.

I am looking for the seventh proposal.

Mr. PEPPER. Let me get the seventh while the Senator is at it. May I read it to him, or does he think he will find it there?

Mr. HOLT. I cannot find it.

Mr. PEPPER. Would the Senator mind my reading it and letting him compare it with his recollection as I read it.

Mr. HOLT. Oh, no; I have no objection.

Mr. PEPPER [reading]:

Confer on the President the power to take into custody, for the duration of the defense effort, all aliens whose freedom would in his opinion jeopardize the defense program.

Mr. HOLT. Those are the seven points. Give to one man authority to wipe out any law. Give him authority to do away with the acts that have protected labor, secured after many, many years of struggle for labor. Allow the commandeering of any plant that is necessary, just at the instance of one man. Draft everybody in the country for universal service. Repeal the Johnson Act, and give away our credits and our materials at the instance of one man—no authority other than that—and do all these things in the name of democracy. In the name of democracy, set up a dictatorship which is comparable to the Germanic and other dictatorships in the world. Give to one man power to control America, and do it in the name of democracy.

Let me say to the Senate that when we have that type of democracy, the Senator from Florida is willing to give all the reforms of a century into the hands of one man in order that democracy may be chased somewhere else in the world.

Mr. PEPPER. Mr. President, will the Senator yield for another question?

Mr. HOLT. I yield to the Senator for another question.

Mr. PEPPER. Did the Senator see that the last of the proposals was, "These powers to continue only for the duration of the emergency"?

Mr. HOLT. I saw that, yes; but the Senator, I believe, will find that we are now in the sixty-second emergency since President Roosevelt has been in power. [Laughter.] I think it is the sixty-second. I am not quite sure. He declares emergencies. Nobody else declares them under our statute. The President declares the emergency, and then takes all these powers. I want to say that no bad man should have that much power, and no good man would want it.

The question of power is what this war is supposedly being fought about, but I may say to the Senator that I shall not discuss his speech any more tonight. I want to go on to another angle which I also spoke about yesterday afternoon, and that is this:

Yesterday and today there has been much discussion about the appointment of Henry L. "Wrong Horse" Stimson. I think his nickname is "Wrong Horse," or something like that—and Frank Knox, to the Cabinet of the President of the United States. Of course, everybody knows that these war jingoists are put in as the Senator from Montana [Mr. WHEELER] said, as the result of the creation of a war Cabinet. "Oh," they say, "just brush it aside; it signifies nothing"; but I was called this morning by another Senator, who said, "Do you know that the National Defense Council has appointed Mr. Stacy May as Economist of the National Defense Council?" I said, "No; I do not even know Mr. May"; but we got on the telephone, and I called the National Defense Council, and they said Mr. Stacy May was there, but he was not in just at that time.

Who is Stacy May? He is one of the 30 men who signed the petition asking for a declaration of war on Germany. What did he ask for? I read just one paragraph, and then I shall ask for the entire statement to be printed in the RECORD. This is what Mr. May signed:

by declaring that a state of war exists between this country and Germany.

For this reason alone, and irrespective of specific uses of our resources thereafter, the United States should immediately give official recognition to the fact and to the logic of the situation

Mr. Stacy May, on June 9 of this year, signed a manifesto asking for our country to declare war on Germany, and now he is being appointed as economist of the National Defense Council.

The entire statement signed by Stacy May and others is shown in the news column, as follows:

WAR ON REICH URGED TO CRUSH THREAT TO UNITED STATES—THIRTY LAWYERS, BUSINESSMEN, EDUCATORS, AND WRITERS SEE MYTH IN NEUTRALITY

WASHINGTON, June 9.—Thirty American educators, lawyers, writers and businessmen—speaking as individuals—urged in a statement today that the United States declare war on Germany.

"In the German view," their statement said, "the American defense program means that the United States has already joined with Great Britain and France in opposing the Nazi drive for world dominion—in the American view, Nazi Germany is the mortal enemy of our ideals, our institutions, and our way of life."

"What we have, what we are, and what we hope to be can now be most effectively defended on the line in France held by General Weygand." The frontier of our national interest is now on the Somme.

"Therefore, all disposable air, naval, military, and material resources of the United States should be made available at once to help maintain our common front."

"But such resources cannot be made available fast enough to hold the German Army in check on the European continent or to prepare for the eventual attack on American interests so long as the United States remains legally neutral—Nation-wide endorsement of the defense program shows that the American people has ceased to be neutral in any other sense."

"For this reason alone, and irrespective of specific uses of our resources thereafter, the United States should immediately give official recognition to the fact and to the logic of the situation—by declaring that a state of war exists between this country and Germany."

"Only in this constitutional manner can the energies be massed which are indispensable to the successful prosecution of a program of defense."

It is said it is just another appointment. Why on earth, with all of the economists of whom we have heard for years, did the National Defense Council have to go out and pick this one individual as their economist—the man who asked for a declaration of war on Germany?

Oh, these straws in the wind point to one thing, and one thing alone. This administration is one the road to war, is getting ready for war.

As I have stated, a country does not always declare war to get in war. I have said many times on the floor of the Senate that a nation does not always declare war on a nation. It can create incidents by which another can and will declare war on it; but it kills just as many boys, it costs

just as much money, and it creates just as much havoc and disaster as the first way.

I say that any man who would deliberately create incidents of war in order to force another nation to have an overt act as an excuse for declaring war on us is taking us to war, and every instance in recent weeks has been calculated to insult and to attack nations of the world with which we are at peace; and, as the Senator from Massachusetts said, what nation in the world has done anything to the United States Government?

The individuals who are interested in war are the boys who sit back in the armchairs and tell the other boys how to win the war. If I had felt as the Senator from Florida did about Hitler and our danger, I would not have been in the Senate half as long as he has been; I would be on the way, on the clipper, to go over there and stop Hitler on the other side of the Atlantic Ocean. He wants someone else to do the stopping. Members of the Senate are exempt. We do not have to go to war. If in his heart the Senator from Florida feels that Hitler is going to do the things he has said he is going to do—that he is going to destroy our country as he says he is going to destroy it—why does he not enlist, instead of making us run to the cloakroom and get our trench helmets daily because he tells how Hitler is coming over the Potomac the next day?

I do not think the historians will devote so much time to looking over the record to see what certain individual Senators think or say, but I also am willing to let historians be the judge of what is happening here, and they will see, not a replica of 1914–17, not that, because we did not deliberately in all instances try to create that.

When I rose I wanted to discuss propaganda for my friend, the Senator from South Carolina [Mr. BYRNES], but since he is not here and has not been here, I shall not do so. I shall discuss that and other matters I had hoped to talk about at a later time.

Mr. BONE. Mr. President—

The PRESIDING OFFICER (Mr. ELLENDER in the chair). Does the Senator from West Virginia yield to the Senator from Washington?

Mr. HOLT. I yield.

Mr. BONE. I hope the Senator does not think this is a replica of 1914–17. We are going about 10 times as fast into the war as we did then. Does the Senator understand that?

Mr. HOLT. That is correct.

Mr. BONE. We are going about 10 times as fast toward war now as before and making no pretense of going in the other direction. If we go into the war, we will have no excuse to offer posterity for having done so.

Mr. HOLT. I thank the Senator from Washington. Everyone knows that step after step has been progress toward our getting into the war.

Mr. BONE. Mr. President, will the Senator yield further?

Mr. HOLT. I yield.

Mr. BONE. We will have no need to call on posterity to appraise our actions. They will do it without the aid of any Member of the Senate. History is being written here day after day, hour after hour, and it will never be unwritten, no matter what any Senator here says. The future, if there will be any future, if it has a system of schools and anything left after we get through the next war, if people are capable of appraising anything, can find anything to eat so that they will have strength to appraise what is going on, they will do the appraising.

Before the Senator concludes, in view of the fact that some reference was made by the Senator from Florida today to a soldier who had had his legs shot off, and he was very, very eager to have this country do something—God knows what it was—at this stage I should like to put something into the Record, if the Senator will yield.

Mr. HOLT. I shall be glad to yield to the Senator from Washington.

Mr. BONE. This little pamphlet I have in my hand is in such shape that I cannot put it into the Record. I wish I could have it reproduced so that everyone in the United States could read it. This is from the Quentin Roosevelt

Post, Veterans of Foreign Wars. It contains seven little cartoons, besides some printed matter. The first cartoon is a picture of Uncle Sam exchanging war munitions for money with Great Britain, and under it this appears:

Nazi aggressions arouse sympathy and indignation in United States. First step, to "use every method short of war" to help Allies win. Slogans: "They are fighting our war." "Hitler must be stopped."

Mr. HOLT. Let me ask the Senator whether he knows any fellows who want Hitler stopped who are volunteering to stop him?

Mr. BONE. Oh, no. The Civil War was fought by boys, little fellows, who did not know what it was all about. My father said that after Gettysburg, when he walked over the field after Pickett's charge, the poor devils lying on the field, covering the ground, dressed in poor, nondescript, butternut coats, were boys from the State of the Senator from North Carolina [Mr. REYNOLDS] who sits before me, and other States of the South, poor, hungry devils, who did not know what it was all about. They were mere boys.

My mother had two brothers who are buried at Spottsylvania, one of them 16. Does anyone suppose that kid knew what all the momentous issues in the Civil War were? He just saw the flags waving and heard the drums beating and let the wise men, like you and me, send him out to his death. That is why we are in the fix we are in today.

Mr. HOLT. Did not the Senator say a few days ago that certain officials of business stated that it was unwise to allow them to make only 7 percent on their investments, while at the same time they are going to take the entire investment of a boy—his life?

Mr. BONE. That is the way we handle war, and that is the way we will handle it again. We will take all the boys out and have them shot to death for some vague cause or other, draft 100 percent of their bodies, and some of our businessmen will remain at home squawking their heads off because we do not let them make 50 percent profit.

If we had any sense, the moment war was declared we would draft every factory in the United States and serve notice that we would not let anyone make a profit. That is the kind of war it is going to be in any event. That is the way it is going to work out. By the time we are through paying for it there will not be any profit for anyone. That is the price of total war. But I am getting off the track. I want to put this pamphlet in the Record. The second little cartoon in this Veterans of Foreign Wars pamphlet is a picture of England and France carrying away munitions.

The quotation is:

Aviation and munitions industry expand to fill orders. When Allies run out of cash, United States must make loans or close factories. Slogan: "Send money—not troops." Despite huge public debt, Congress votes loan.

Where does that point now? We have to do that, and we are getting ready to do something—I do not know what it is.

Cartoon No. 3—caption:

United States has large cash investment in Allied cause. When the drain on manpower threatens Allied defeat, United States declares war, sends A. E. F. No. 2 slogan: "Save Democracy."

The fourth cartoon:

Cost of A. E. F. No. 2, plus continued Allied loans, plus original public debt, ruins United States credit. Only solution is inflation. Slogan: "Win with War Dollars." Cost of living skyrockets. Printing-press dollars depreciate.

Cartoon No. 5 shows a munitions plant with a lot of troops in front of it. The caption is:

Gap between income and living costs grows. Labor and farmers strike. Martial law declared. United States abandons democracy, becomes dictatorship. Food is rationed. Thousands sent to concentration camps.

Cartoon No. 6 shows a fire out in the woods and men standing and sitting around it. One man stands in front of it with his arms uplifted and talking. A large audience sits on the other side. The caption is:

Dictatorship drains United States of dollars and men. Hunger and casualty lists grow. United States rebellion, sick of war, gather secretly to hear patriots demand "Peace and democracy."

Cartoon No. 7 shows a number of persons, two or three women and a child and a wounded man, sitting amidst the ruins of buildings. The caption is:

Hunger and tyranny become unbearable. Mobs overcome soldiers and police. Destruction and death are rampant. Unburied dead breed plagues. United States lies in ruins.

Then comes the statement of the Lieutenant Quentin Roosevelt Post, No. 10, Veterans of Foreign Wars, Brooklyn, N. Y.:

SHALL WE HAVE PEACE AND PROSPERITY—OR WAR AND RISK DISASTER?

That is the real question we face when we decide the answer to Europe's propaganda.

We can have peace. Adequate military defense and the protection of our oceans will guarantee us against aggressors.

We can have prosperity if we devote ourselves to the solution of our domestic problems.

But we will have war if we continue to meddle in Europe's conflict. We know this is true because it happened to us in 1917. Shall we continue to follow our old footprints down the road to war?

The result of the last war should make us cautious. The sod on the graves of our dead is still fresh and the hospitals are still filled with our wounded. The curses of our ungrateful Allies still ring in our ears when we remind them of their loans. The unemployed are an unsolved problem of the depression caused by the war. The cost of the war is still written in red ink on the ledgers of our Treasury.

In spite of the insults hurled at us by the Allies for being tardy, stingy, and timid we were lucky to have entered the war so late. Our enemy collapsed before our resources of wealth and manpower had become seriously impaired. Had we our present public debt, inflation would certainly have come. At the rate at which we lost men in battle, it would not have taken long for the United States to face real disaster.

If the United States enters the war under the present handicaps, these imagined disasters may soon become reality. Then we would find ourselves living under a dictatorship, our democracy and freedom a dream, taxed to starvation to buy munitions of war. The end might be chaos and revolution.

Knowing the risk, the veteran is committed to the cause of peace for America.

Mr. CLARK of Missouri. Mr. President, will the Senator from West Virginia yield to me for the purpose of asking the Senator from Washington a question?

Mr. HOLT. I yield.

Mr. CLARK of Missouri. Do I understand this is a resolution adopted by an organization of Veterans of Foreign Wars?

Mr. BONE. It came to me this morning from the Lieutenant Quentin Roosevelt Post, No. 10, of Brooklyn, N. Y.

Mr. CLARK of Missouri. Having in mind that everyone who belongs to the Veterans of Foreign Wars must be a man or woman who has followed the flag overseas, in a combat organization, is the Senator from Washington not afraid that by reading this thing he may subject the Veterans of Foreign Wars, overseas veterans, to the suggestion that they may be members of the "fifth column"? The Senator from Florida is not on the floor, and I regret that he is not, but if he were present, I am certain that he would believe that any overseas veteran who adopted such resolutions as that were members of the "fifth column." They are probably members of the "first column."

Mr. BONE. I will say to the Senator from Missouri that I read this to the Senate because the Senator from Florida had stated on the floor that he had talked to some chap who had lost a leg in the World War, and I gathered from what he said that this soldier wanted us to go into another war and have more boys lose their legs in the noble cause of democracy across the sea, and he rather left the impression, at least I gathered it, that the veteran wanted the country to get into the war. I believe all the veterans I have met wanted us to keep out of war.

Mr. CLARK of Missouri. Neither the Senator from Washington nor anyone else would have the effrontery to say that an organization composed of men and women, all of whom had served overseas, which is a requisite for membership in the organization, had no right to express themselves in the manner referred to, without being dubbed "fifth columnists."

Mr. BONE. I will say to the Senator from Missouri and the Senator from West Virginia that I have spoken before organizations of the V. F. W. I have never found one of them that did not bitterly oppose our entry into another war. They want us to mind our own business, to take care of our

domestic problems, and that, if we enter any war, it will be in the defense of the Western Hemisphere.

Mr. CLARK of Missouri. They are probably "fifth columnists," I will say to the Senator.

Mr. BONE. Well, I am quite bewildered by all the slogans. Yet we went through the same thing in 1917. The country then was full of slogans. The sloganeers were busy.

The PRESIDING OFFICER. Does the Senator from West Virginia yield to the Senator from Washington?

Mr. HOLT. I yield.

Mr. BONE. A distinguished American said the country was the victim of slogans. We have had the slogan: "Remember the Maine."

We have had the slogan "Tippecanoe and Tyler, too."

Of course, they were accompanied by much breast-beating.

The American claims he is not an emotional animal. But he is the most emotional animal on earth. When he hates he hates something venomously. When he loves, he loves passionately.

Mr. HOLT. Was the Senator here this afternoon when the Senator from Florida wanted to tear Hitler limb from limb and sprinkle his blood throughout the world?

Mr. BONE. It sounds natural.

Mr. CLARK of Missouri. Mr. President, will the Senator yield to me for a question?

Mr. HOLT. I yield for a question.

Mr. CLARK of Missouri. I should like to ask the Senator from Washington if he would want to accept the opinion of such an organization as the Veterans of Foreign Wars, every man and woman of whom must have served overseas to be a member of that organization, against the opinion of the Senator from Florida? I heard the Senator from Florida say here the other day that he had made a speech at Chicago, and I am informed that the Veterans of Foreign Wars got up and took their banners and walked out when the Senator from Florida started to speak. If the Senator from Washington wants to accept the opinions of the Veterans of Foreign Wars against the opinion of the Senator from Florida, that is his responsibility. I would not dare to do that.

Mr. BONE. No; unhappy wight that I am, I would not undertake any such task.

Mr. HOLT. Did not the Senator know that the Senator from Florida served 7 weeks in the S. A. T. C.?

Mr. BONE. I am a little vague as to what that is.

Mr. HOLT. That is the Student Army Training Corps, composed of those who went to school and got paid in 1917 and 1918 while training.

Mr. BONE. I do not know anything about it.

Mr. HOLT. I want the Senator to know that the Senator from Florida has a war record.

Mr. BONE. I assume that the Senator from West Virginia has no objection to my placing this anti-Florida document in the RECORD. It merely tells a rather pathetic story of the boys who were overseas, and indicates a little of how they view the situation. The Senator has no objection to my putting this in the RECORD on his time?

Mr. HOLT. Not at all.

Mr. BONE. I ask that the matter to which I have referred be printed in the RECORD.

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

PENSIONS AND PEACE

(Distributed by the Lieutenant Quentin Roosevelt Post, Veterans of Foreign Wars)

THE ROAD TO WAR

1. Nazi aggressions arouse sympathy and indignation in United States. First step, to "use every method short of war" to help Allies win. Slogans: "They are fighting our war." "Hitler must be stopped."

2. Aviation and munitions industry expand to fill orders. When Allies run out of cash, United States must make loans or close factories. Slogan, "Send money—not troops." Despite huge public debt, Congress votes loan.

3. United States has large cash investment in Allied cause. When the drain on manpower threatens Allied defeat, United States declares war, sends A. E. F. No. 2 slogan, "Save democracy."

4. Cost of A. E. F. No. 2, plus continued Allied loans, plus original public debt, ruins United States credit. Only solution is inflation. Slogan—"Win with war dollars." Cost of living skyrockets. Printing-press dollars depreciate.

5. Gap between income and living cost grows. Labor and farmers strike. Martial law declared. United States abandons democracy; becomes dictatorship. Food is rationed. Thousands sent to concentration camps.

6. Dictatorship drains United States of dollars and men. Hunger and casualty lists grow. United States, rebellious, sick of war, gather secretly to hear patriots demand peace and democracy.

7. Hunger and tyranny become unbearable. Mobs overcome soldiers and police. Destruction and death are rampant. Unburied dead breed plagues. United States lies in ruins.

SHALL WE HAVE PEACE AND PROSPERITY—OR WAR AND RISK DISASTER?

That is the real question we face when we decide the answer to Europe's propaganda.

We can have peace. Adequate military defense and the protection of our oceans will guarantee us against aggressors.

We can have prosperity if we devote ourselves to the solution of our domestic problems.

But we will have war if we continue to meddle in Europe's conflict. We know this is true because it happened to us in 1917. Shall we continue to follow our old footprints down the road to war?

The results of the last war should make us cautious. The sod on the graves of our dead is still fresh and the hospitals are still filled with our wounded. The curses of our ungrateful Allies still ring in our ears when we remind them of their loans. The unemployed are an unsolved problem of the depression caused by the war. The cost of the war is still written in red ink on the ledgers of our Treasury.

In spite of the insults hurled at us by the Allies for being tardy, stingy, and timid, we were lucky to have entered the war so late. Our enemy collapsed before our resources of wealth and manpower had become seriously impaired. Had we our present public debt, inflation would certainly have come. At the rate at which we lost men in battle it would not have taken long for the United States to face real disaster.

If the United States enters the war under the present handicaps, these imagined disasters may soon become reality. Then we would find ourselves living under a dictatorship, our democracy and freedom a dream, taxed to starvation to buy munitions for war. The end might be chaos and revolution.

Knowing the risk, the veteran is committed to the cause of peace for America.

WILL IT BE—PEACE AND PENSIONS OR—WAR AND PENCILS

That is the veterans' problem. It is their special reason for wanting the United States to remain at peace.

Veterans are reaching the limit of their employable age. Many are jobless and have little hope of future employment. Their only solution to their problem is a pension. Pensions mean money.

The tremendous cost of war would put off pensions indefinitely. It would even bring to an end present veterans' welfare benefits.

In the event of war, doctors, medicines, and beds would be drafted. The hospitals would be emptied of veterans to make way for new casualties.

The tempo of war speeds up industry beyond its peacetime rate of production with more machines, not more men; and the belt line is becoming too fast for the veteran now. It would be impossible for him to benefit by wartime jobs.

The problems of the veteran cannot be solved by war, so—

Join the Veterans of Foreign Wars and join the drive for peace and pensions.

LIEUTENANT QUENTIN ROOSEVELT POST, No. 10, V. F. W.,
Brooklyn, N. Y.

Mr. HOLT. Mr. President, yesterday we received a message that Col. Frank Knox was to be named as Secretary of the Navy. I am sure that the President of the United States would not appoint a man who was not absolutely truthful. He would appoint only a man upon whom he could depend. That would be natural. That would be expected. So I wish to read to the Senate what Colonel Knox said on the 24th day of September 1936—

Mr. CLARK of Missouri. Mr. President, will the Senator yield to me for the purpose of suggesting the absence of a quorum?

Mr. HOLT. I have no objection, but I do not particularly care.

Mr. CLARK of Missouri. Since the nomination of Colonel Knox is coming before the Senate, as I indicated yesterday, the matter of his expressions is of such importance that there ought to be a quorum of the Senate present to hear the expressions of Colonel Knox. Also, if the Senator has any expressions from Colonel Stimson, I shall later ask for a quorum to hear them.

The PRESIDING OFFICER. Does the Senator from West Virginia yield for that purpose?

Mr. HOLT. I yield for that purpose.

Mr. CLARK of Missouri. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

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

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

The PRESIDING OFFICER. Eighty-four Senators have answered to their names. A quorum is present.

Mr. HOLT. Mr. President, when I yielded to the Senator from Missouri, I was about to give the Senate the advantage of what Col. Frank Knox had said about the President. Of course, as I then said, I am sure the President would appoint a man to his Cabinet who would tell the truth. I am sure he would appoint a man in whose judgment he had confidence. I do not say that I agree with all of the statements which I am about to read. I am not discussing that point. But this is what Col. Frank Knox said on the 24th day of September 1936, in the Chicago Daily News:

New Dealers are trying to work up a war scare. They think it will help them in the campaign. The President is still our shepherd, but from still waters and green pastures he turns now to grim thoughts of foreign dangers. He does not like to leave Washington, he says, for more than 4 days at a time, because of conditions abroad. He is afraid there may be another big war almost any day. And his partisans profess to believe that we may be drawn into it—unless Roosevelt is reelected.

Of course, the people may be the judges.

This is not RUSH HOLT speaking. This is Col. Frank Knox, the man whom the President considered so important that he went into the Republican Party and took him into his official family as Secretary of the Navy.

This is what he said:

In his negotiations with foreign powers, Mr. Roosevelt has not been fortunate. He muffed his chance with France and Britain in the spring of 1933. Two months later, he laughingly broke up the London economic conference, and with it the world's hopes of speedy recovery from the depression. He has done nothing about the war debts. His off-and-on efforts at dollar-pound stabilization have got nowhere. Under him, our foreign trade, and, indeed, our foreign relations in general, have fallen to a new low. His Russian policy is a fizzle. His far-eastern policy is a naught.

I want to make it clear that this is Col. Frank Knox speaking, the man whom the President considered so valuable, and I am sure honest and courageous, or he would not have named him to his Cabinet; and this is what he says:

The State Department, under Roosevelt, is not exactly a tower of strength. Mr. Hull is honest and well meaning, but weak.

Colonel Knox will have to serve with Mr. Hull. I wonder how he will get around that.

Mr. Hull is honest and well meaning, but weak. He will never rank among our great Secretaries of State. The President's diplomatic appointments have been equally feeble. Mr. Bingham in London and Mr. Strauss in Paris have been notable chiefly for their ill health, which has incapacitated them for months on end. Mr. Bullitt, first in Moscow, now in Paris—

I think he is still there, judging from the debates this afternoon.

Is a jolly amateur, a playboy.

This is not RUSH HOLT speaking; this is the man the President named to his Cabinet. I want the Senate to know that I am sure the President would appoint only a truthful man,

and a man in whose judgment he has confidence, or he would not name him to his Cabinet. This is what he said:

Mr. Bullitt, first in Moscow, now in Paris, is a jolly amateur, a playboy. Mr. Bowers, in Madrid, spent most of his time writing books. Since the civil war broke out in Spain, with its many complications for the United States, he has been cruising safely on an American warship in the Bay of Biscay.

Let me add there that I do not know whether he was fishing or not. You know, we take cruisers to go fishing.

Mr. Roosevelt was a member of the memorable Wilson administration which, in trying to keep us out of war, got us into it. He is by nature an experimenter.

Let me make it clear that this is Col. Frank Knox talking about the President.

He is by nature an experimenter. He likes to try new things. He is no more bound by precedent than by his own statements.

I do not say that. Do not hold me responsible for that. I will read it again:

He is no more bound by precedent than by his own statements. Caution, with him, is something to be thrown to the winds. His hand on the tiller of a little sailboat may be skillful enough. But, judging by the zigzag course he has steered in the last three and a half years, his hand on the tiller of the ship of state is amazingly erratic.

It is bad enough to have for President in time of peace a man who is overconfident, incautious, self-willed, uncertain, and unreliable. In time of war it would be disastrous.

Think of that! And I am sure, again, that the man must demand good judgment for a Cabinet appointee. The President, in this critical emergency, certainly would not appoint as Secretary of the Navy a man who has no judgment and who would not tell the truth. This is a very important time in American history. Could he not find a suitable man in the Democratic Party, or did he have to go out and get this man in whom he had so much confidence; and here is what he says:

It is bad enough to have for President in time of peace a man who is overconfident, incautious, self-willed, uncertain, and unreliable. In time of war, it would be disastrous.

That is exhibit No. 1. I have a number of these, and I intend to read and comment upon them when Colonel Knox's name comes up for discussion. I want to read what Colonel Knox thinks about another member of the Cabinet, Mr. Morgenthau, because I want these fellows to know each other. They do not seem to get along very well for some reason. I am not saying these things. Let me read you the next one. This was on September 30:

When it comes to international finance, the young gentleman farmer, Henry Morgenthau, who is President Roosevelt's Secretary of the Treasury, is, as we remarked last Monday, out of his depth.

The Russian State Bank had a payment to meet last week on a bill of \$6,890,700, which it owed a Swedish firm. It ordered its agent, the Chase Bank, of New York, to make the payment. At the same time, to replenish its New York account, it offered for sale 1,000,000 pounds sterling, "at the market"—an ordinary business transaction, not even large, as exchange operations go.

But Mr. Hearst had been annoying the President by telling the world why Communists were going to vote for Mr. Roosevelt.

I wish the Senator from Florida were in the Chamber. He wants to catch these "fifth columnists." Perhaps he could find out who they are.

Mr. Hearst had been annoying the President by telling the world why Communists were going to vote for Mr. Roosevelt, and France was off gold, and Mr. Morgenthau had just made a gentleman's agreement with London and Paris.

Mr. LUNDEEN. Mr. President—

The PRESIDING OFFICER. Does the Senator from West Virginia yield to the Senator from Minnesota?

Mr. HOLT. I do.

Mr. LUNDEEN. Did the Senator say "fifth columnists" or "fifth-rate columnists"?

Mr. HOLT. Well, I could not answer that now.

We do not know exactly what happened, but can readily imagine. Somebody—probably not Mr. Morgenthau—had a bright idea.

Think of that! He does not even give Henry Morgenthau enough credit to have a bright idea.

Somebody—probably not Mr. Morgenthau—had a bright idea. Why not buy the 1,000,000 pounds? It wouldn't cost much. It would show that the gentleman's agreement was working.

Now, I want you to get this. This is the new Secretary of the Navy:

It would reveal the great isolationist, Mr. Roosevelt, as a great internationalist—and by depicting him as locked in mortal combat with the Soviet ogre in a foreign-exchange battle it would refute Mr. Hearst.

There followed a remarkable scene. The newspapermen were called in. Mr. Morgenthau excitedly described to them the great Russian raid on the pound and his own valiant rush to the rescue. It was "ticklish," he said, but he did it. Furthermore, if more raids occurred, he said, he was ready to go the limit. "Q. Which is?—A. Two billion dollars."

Absurd, of course. The Russians had no reason to raid the pound. They had every reason not to; and if they wished to raid it, 1,000,000 pounds would be a mere drop in the bucket. Nevertheless, we do not think that Mr. Morgenthau was being Machiavellian. We think he just didn't know any better.

With Colonel Knox in the Cabinet, and with Henry Morgenthau there—the gentleman farmer to whom he referred as the man who did not know—of course, with Colonel Knox's advice, he may know now, and we ought to give him credit for that. Going ahead, however—and I have so much material that I do not want to detain the Senate long on this—I want to read another editorial, which appeared on October 27, because I am sure the President knows Colonel Knox and agrees with him, and that is why he calls him in in this terrible emergency. Here it is again, October 27:

"Trust me," the President seems to say. "Don't ask me what I am going to do next; just leave all that to me."

"Our best strategy," said Professor Tugwell at Los Angeles, "is to surge forward with the workers and farmers of this Nation, committed to general achievements, but trusting the genius of our leader for the disposition of our forces and the timing of our attacks. I do not need to remind you of his genius for this task, nor of his devotion to the cause."

"Our leader!" The Italians say "Il Duce," the Germans, "Unser Fuehrer."

Collectivists of every sort are supporting Mr. Roosevelt. That is natural. For at the root of his philosophy lies the view, shared alike by Communists and Fascists, that conditions have suddenly changed fundamentally, and that, in consequence, individual liberty under democracy, as hitherto practiced in this country, is no longer either desirable or feasible.

Many people are confused about Mr. Roosevelt, because his tactics are confusing, and are meant to be confusing.

That is very interesting, what the appointed Secretary of the Navy, Colonel Knox, says, speaking about the Cabinet. This is what he says:

Many people are confused about Mr. Roosevelt, because his tactics are confusing, and are meant to be confusing.

Has he changed since he accepted the appointment?

Listen to this. I want Senators to get this. This is what Colonel Knox says about the President. I am sure that when he goes into the Cabinet meeting he will wish it had not been said.

Mr. CLARK of Missouri. Mr. President, will the Senator yield?

Mr. HOLT. I yield.

Mr. CLARK of Missouri. Is this an expression from the new Secretary of the Navy about the present President of the United States, or some past President of the United States?

Mr. HOLT. It is an expression of a hopeful Secretary of the Navy to the present President of the United States.

Mr. CLARK of Missouri. Does the Senator think that the prospective Secretary of the Navy will repeat that at the first Cabinet meeting to the present President of the United States, or will he recant on it?

Mr. HOLT. In these days of national emergency you are not supposed to talk much. This is what he said:

But, as a matter of tactics, he will not avow this aim. And to reach it he is ready to nod, smile, agree, assert, evade, deny, distort—

I am not half way through—

distract, dally, retreat, startle, dazzle, juggle, sidestep, and circumvent.

[Laughter.]

I want the RECORD not to accuse the Senator from West Virginia of saying that. This is Colonel Knox's editorial on the 27th day of October 1936. He said that the President is ready to nod, smile, agree, assert, evade, deny, distort, distract, dally, retreat, startle, dazzle, juggle, sidestep, and circumvent. If he can do anything else, I do not know what it is.

Mr. CLARK of Missouri. Mr. President, which of those verbs would apply to the appointment of Col. Frank Knox as Secretary of the Navy? Possibly all of them?

Mr. HOLT. To be perfectly frank, I do not think there is a word that can apply.

Mr. LUNDEEN. I think the appointment was a "dazzling" appointment.

Mr. HOLT. The Senator thinks it is the one which says "dazzling" or "startling"? [Laughter.]

Mr. LUNDEEN. Both.

Mr. CLARK of Missouri. I suggest "circumventing."

Mr. HOLT. He may have circumvented, I do not know, but he dallied and retreated, there is no question about that.

The following is in quotes. He wanted to make it so sure:

Our leader is a showman. He likes to astonish. He likes to keep people guessing. He has a taste for the novel, the dramatic, the grandiose.

The President has a taste for the novel, the dramatic, and the grandiose.

He is strongly attracted by such vast notions as harnessing the tides at Passamaquoddy, planting a thousand-mile belt of trees in the wind-swept western prairies, digging a gigantic ship canal across Florida.

The Senator from Florida has gone. Then he says this:

In the past it has been customary for a President to gather around him, as his advisers after election, outstanding members of his party, men who helped nominate him and who fought for him in his campaign. But "our leader" has turned his party into a one-man affair. He has brushed aside the outstanding Democrats.

Get that. [Laughter.] No one knows it better than the Democrats now. This is Colonel Knox speaking:

He has brushed aside the outstanding Democrats.

And names Colonel Knox as Secretary of the Navy.

His general staff consists of Prof. Rexford Guy Tugwell, a sly social revolutionary.

He is now in molasses, so we will not pay any attention to him. Senators will remember that a moment ago I talked about Henry Morgenthau. He did not like him. He said he was not very smart. Of course, I am not going to answer that.

We will find when he comes into the Cabinet that Secretary Morgenthau has had much more to do with the Navy, particularly the transfer and sale of supplies to foreign countries, than he had when he was speaking.

Now he has gotten to Tugwell. And who is Secretary of Agriculture? It is Mr. Henry Wallace, is it not? This is what he says about Henry Wallace. He is in nice company down there at that Cabinet meeting. I have read what he said about the President, and I have read what he said about Morgenthau. This is what he thinks about Henry Wallace.

A farm journal editor with a messianic complex.

He was not satisfied to take that shot at Henry Wallace. But he has to sit with Harold Ickes—if anyone can do that. This is what he said about "Old Ick":

Harold Ickes, a reformer who imagines he is the only honest man in the world.

[Laughter.]

I do not know whether he has changed his mind or not. People do. But that is another member of the Cabinet. I want to send this to the different members of the Cabinet so that they can greet with all love and affection this new member of the Cabinet when he joins them.

Then there was Jim Farley. What does he say about Jim Farley? He said:

Jim Farley, an unscrupulous Tammany boss.

This is not RUSH HOLT speaking. I would not say that. This is the would-be new Secretary of the Navy. Henry

Morgenthau is not very bright, Henry Wallace has a bad complex, Cordell Hull is weak, Harold Ickes is a reformer who thought he was the only honest man in the world, and Jim Farley is an unscrupulous Tammany boss. Colonel Knox should not go into that company. He says further:

John Lewis, a ruthless and ambitious labor leader.

But I forgot Miss Perkins, and I must not forget her. [Laughter.] Since that time Harry Hopkins has been put into the Cabinet. He is in charge of defense. He has been so important in boondoggling in America that the President wants him to do a little boondoggling in Europe. The paper said the other day that the President just could not afford to let Harry get too far away, so he is keeping him at the White House so that he can talk to him. Remember Harry?

Here is what Colonel Knox said about Miss—he did not even say "Frances"—he said "Miss Perkins." "Miss Perkins and Harry Hopkins, social workers, with a bias against businessmen." I do not know whom he has left in that Cabinet. I have been trying to think who has been left there about whom he did not make statements. Now he is going into that Cabinet, after saying all those things about the President, and the members of the President's Cabinet, of which he can consider himself a member if his nomination shall be approved by the Senate. Then he goes ahead to discuss a great deal more, but I may say that he finishes the article with this paragraph:

Meanwhile, anyone who brings him an attractive scheme to flatter the momentary hate or fears of the crowd, or to intensify class feeling, or to take money from those who are earning it and give it to those who are not, or to attract attention dramatically to "our leader," or to spend large sums under his personal direction, is assured of a sympathetic audience.

Get that. This is Colonel Knox talking about the President. When did the President change in the colonel's opinion? He says:

We are going to continue to fight. We are not going to retreat.

Colonel Knox says:

Meanwhile, anyone who brings him an attractive scheme to flatter the momentary hates or fears of the crowd, or to intensify class feeling, or to take money from those who are earning it and give it to those who are not, or to attract attention dramatically to "our leader," or to spend large sums under his personal direction, is assured of a sympathetic audience.

I wish to make myself clear, Mr. President. I would not accuse the President of naming a man to his Cabinet who would not tell the truth. I would not accuse him of naming a man to his Cabinet who did not have good judgment and far-sightedness at this time of emergency. I, of course, will say no more than that.

Mr. CLARK of Missouri. Mr. President, will the Senator yield?

Mr. HOLT. Oh, yes; I yield to the Senator from Missouri.

Mr. CLARK of Missouri. Does that article contain any information as to the name of the person or persons who bunked the President into the scheme by suggesting the names of Stimson and Knox to the Cabinet?

Mr. HOLT. I am not sure that I understood the Senator's question.

Mr. CLARK of Missouri. Does that editorial which the Senator just read contain any information explaining the gullibility of the President, according to Col. Frank Knox, and any information as to the name of the person or persons who suggested to the President the appointment of Colonel Stimson and Colonel Knox as members of the Cabinet?

Mr. HOLT. No; I do not. The two men he did not talk about were the Secretary of War and the Secretary of the Navy, and both of them were kicked out, one to run for office and another for another reason.

Colonel Knox does not have any use for Harold Ickes. He does not have any use for Harry Hopkins or for Frances Perkins, or for Henry Morgenthau, or for Henry Wallace, or for Cordell Hull, or for Jim Farley, and there are not many others left in the Cabinet. Here is another editorial which I shall read, and then I believe I shall read no more tonight, because, although I am sure Colonel Knox would be willing

for me to read his words, I do not desire to delay the Senate. The title is, "All things to all men."

The editorial is:

President Roosevelt is nothing if not versatile.

Last January he was Andrew Jackson, castigating the rich and powerful in the name of the common people. The other day, in North Carolina, he was our shepherd, leading us, he said, beside the still waters. Tuesday night, at Syracuse, he was the savior of capitalism and the preserver of democracy. He was also Washington and Jefferson, Lincoln, and Wilson, a mighty leader, but, like them, opposed and misunderstood by an ungrateful citizenry.

We have talked about Colonel Knox's liberalism and here is what he said about the President.

He described himself, incidentally, as a progressive-conservative-liberal—whatever that is.

When will the President find out that he cannot indefinitely be all things to all men? He cannot effectively boast of his democracy, while at the same time reaching out for unprecedented personal powers—powers which in other hands, as he has himself ingenuously admitted, would endanger the people's liberties. He cannot, while practicing collectivism, pose as the savior of capitalism. He cannot appear one day as a radical, the next as a conservative—and expect anyone to take him seriously.

In conclusion I wish to make certain that the Senate understands that I am not saying these things. It is Colonel Knox who said these things, the man the President has named to fill the position of Secretary of the Navy.

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

Mr. HOLT. I yield.

Mr. LUNDEEN. In that connection when the able Senator from West Virginia speaks of the Cabinet, I wonder if it would not be well to check upon the fact that when the President and the 10 Cabinet members sat down at the table we would find, if Colonel Knox shall be confirmed and Colonel Stimson shall be confirmed, that 7 members of the Cabinet come from the Empire State, and 4 come from the rest of the country. That might be worth thinking about.

Mr. HOLT. All I wish to say is that after Colonel Knox said these things about the Cabinet and about the President he had better take lessons from somebody so he can learn to do what he accused the President of doing, so that he can nod, smile, agree, assert, evade, deny, distort, distract, delay, retreat, startle, dazzle, juggle, sidestep, and circumvent, because after saying those things, Colonel Knox will have to do all those things if he is to sit with a straight face with the other members of the Cabinet and the President of the United States.

LETTER OF RESIGNATION OF HON. HARRY H. WOODRING AS SECRETARY OF WAR

Mr. CLARK of Missouri. Mr. President, I ask unanimous consent to submit a resolution and ask that it be read for the information of the Senate and lie on the table.

The PRESIDING OFFICER. Without objection, the resolution will be read.

The Chief Clerk read the resolution (S. Res. 284), as follows:

Resolved, That the President be requested, if not incompatible with the public interest, to transmit to the Senate the letter of the Honorable Harry H. Woodring resigning as Secretary of War of the United States.

The PRESIDING OFFICER. The resolution will lie on the table and be printed.

EXPEDITION IN NAVAL SHIPBUILDING

The Senate resumed the consideration of the bill (H. R. 9822) to expedite naval shipbuilding, and for other purposes.

Mr. THOMAS of Utah. Mr. President—

Mr. WALSH. Does the Senator from Utah desire the floor?

Mr. THOMAS of Utah. I was going to suggest the absence of a quorum.

Mr. WALSH. I do not think that is necessary.

Mr. President, I ask now for action on the first amendment to the pending bill.

The PRESIDING OFFICER. The first committee amendment will be stated.

The first amendment of the Committee on Naval Affairs was, on page 1, line 5, after the word "during", to strike out

"any" and insert "the"; in line 6, after the name "President", to insert "on September 8, 1939"; in line 7, after the name "Navy", to insert "or the Secretary of the Treasury in the case of Coast Guard contracts"; in line 11, after the word "as", to strike out "he" and insert "such Secretary"; in the same line, after the word "and", to strike out "he shall require"; on page 2, line 2, after the word "made", to insert "shall be required"; in line 3, before the word "is", to strike out "He" and insert "The Secretary concerned"; in line 11, after the name "Secretary", to strike out "of the Navy" and insert "concerned"; in line 12, after the word "report", to insert "every 3 months", and in line 13, after the name "Congress", to strike out "at the beginning of each regular session", so as to make the section read:

That whenever in the opinion of the President of the United States such course would be in the best interests of national defense during the national emergency declared by the President on September 8, 1939, to exist, the Secretary of the Navy, or the Secretary of the Treasury in the case of Coast Guard contracts, is authorized to advance, from appropriations available therefor, payments to contractors in amounts not exceeding 30 percent of the contract price, upon such terms as such Secretary shall prescribe, and adequate security for the protection of the Government for the payments so made shall be required. The Secretary concerned is further authorized in his discretion to make partial payments on the balance of the contract price from time to time during the progress of the work, such partial payments not to exceed the value of the work already done, but to be subject to a lien as provided by the act of August 22, 1911 (37 Stat. 32; U. S. C., title 34, sec. 582), entitled "An act authorizing the Secretary of the Navy to make partial payments for work already done under public contracts": *Provided*, That the Secretary concerned shall report every 3 months to the Congress the advance payments made under the authority of this section.

The amendment was agreed to.

The next amendment was, on page 2, line 15, before the word "That", to insert "(a)"; in line 17, after the word "during", to strike out "any" and insert "the"; in line 18, after the name "President", to insert "on September 8, 1939"; and in line 24, after the word "other", to strike out "equipment, without competition, and all orders for such machine tools and other equipment shall, in the discretion of the President, take priority over orders for export: *Provided*, That he shall determine the price to be fair and reasonable: *Provided further*, That the Secretary of the Navy shall report to the Congress at the beginning of each regular session the contracts entered into under the authority of this section" and insert:

Similar equipment, with or without advertising or competitive bidding upon determination that the price is fair and reasonable, and deliveries of material under all orders placed pursuant to the authority of this section and all other naval contracts or orders shall, in the discretion of the President, take priority over all deliveries for private account or for export: *Provided*, That the Secretary of the Navy shall report every 3 months to the Congress the contracts entered into under the authority of this section: *Provided further*, That contracts negotiated pursuant to the provisions of this section shall not be deemed to be contracts for the purchase of such materials, supplies, articles, or equipment as may usually be bought in the open market within the meaning of section 9 of the act entitled "An act to provide conditions for the purchase of supplies and the making of contracts by the United States, and for other purposes," approved June 30, 1936 (49 Stat. 2036; U. S. C., Supp. V, title 41, secs. 35-45).

(b) After the date of approval of this act no contract shall be made for the construction or manufacture of any complete naval vessel or any Army or Navy aircraft, or any portion thereof, under the provisions of this section or otherwise, unless the contractor agrees, for the purposes of section 3 of the act of March 27, 1934 (48 Stat. 505; 34 U. S. C. 496), as amended—

(1) to pay into the Treasury profit in excess of 7 percent (in lieu of the 10 percent and 12 percent specified in such section 3) of the total contract prices of such contracts within the scope of this subsection as are completed by the particular contracting party within the income taxable year;

(2) that any profit in excess of 7.53 percent of the cost of performing such contracts as are completed by the contracting party within the income taxable year shall be considered to be profit in excess of 7 percent of the total contract prices of such contracts; and

(3) that he will make no subcontract which is within the scope of such section 3, unless the subcontractor agrees to the foregoing conditions.

So as to make the section read:

SEC. 2. (a) That whenever deemed by the President of the United States to be in the best interests of the national defense during

the national emergency declared by the President on September 8, 1939, to exist, the Secretary of the Navy is hereby authorized to negotiate contracts for the acquisition, construction, repair, or alteration of complete naval vessels or aircraft, or any portion thereof, including plans, spare parts, and equipment therefor, that have been or may be authorized, and also for machine tools and other similar equipment, with or without advertising or competitive bidding upon determination that the price is fair and reasonable, and deliveries of material under all orders placed pursuant to the authority of this section and all other naval contracts or orders shall, in the discretion of the President, take priority over all deliveries for private account or for export: *Provided*, That the Secretary of the Navy shall report every 3 months to the Congress the contracts entered into under the authority of this section: *Provided further*, That contracts negotiated pursuant to the provisions of this section shall not be deemed to be contracts for the purchase of such materials, supplies, articles, or equipment as may usually be bought in the open market within the meaning of section 9 of the act entitled "An act to provide conditions for the purchase of supplies and the making of contracts by the United States, and for other purposes", approved June 30, 1936 (49 Stat. 2036; U. S. C., Supp. V, title 41, secs. 35-45).

(b) After the date of approval of this act no contract shall be made for the construction or manufacture of any complete naval vessel or any Army or Navy aircraft, or any portion thereof, under the provisions of this section or otherwise, unless the contractor agrees, for the purposes of section 3 of the act of March 27, 1934 (48 Stat. 505; 34 U. S. C. 496), as amended—

(1) To pay into the Treasury profit in excess of 7 percent (in lieu of the 10 percent and 12 percent specified in such section 3) of the total contract prices of such contracts within the scope of this subsection as are completed by the particular contracting party within the income taxable year;

(2) That any profit in excess of 7.53 percent of the cost of performing such contracts as are completed by the contracting party within the income taxable year shall be considered to be profit in excess of 7 percent of the total contract prices of such contracts; and

(3) That he will make no subcontract which is within the scope of such section 3, unless the subcontractor agrees to the foregoing conditions.

The amendment was agreed to.

The next amendment was, on page 4, line 23, after "sec. 496)", to strike out "shall", and insert "and as made applicable to contracts for aircraft or any portion thereof for the Army by such act of April 3, 1939, shall, in the case of contracts or subcontracts entered into after the date of approval of this act and"; on page 5, line 2, after the words "period of", to strike out "any" and insert "the"; and in line 3, after the name "President", to insert "on September 8, 1939", so as to make the section read:

SEC. 3. The provisions of section 3 of the act of March 27, 1934 (48 Stat. 505), as amended by the acts of June 25, 1936 (49 Stat. 1926), and April 3, 1939 (53 Stat. 560; U. S. C., Supp. V, title 34, sec. 496), and as made applicable to contracts for aircraft or any portion thereof for the Army by such act of April 3, 1939, shall, in the case of contracts or subcontracts entered into after the date of approval of this act and during the period of the national emergency declared by the President on September 8, 1939, to exist, be limited to contracts or subcontracts where the award exceeds \$25,000.

The amendment was agreed to.

The next amendment was, on page 5, after line 5, to strike out:

SEC. 4. During any national emergency declared by the President to exist the decision of the Secretary of the Navy as to the necessity and the cost, including the proportion thereof to be charged against the particular contract, of special additional equipment and facilities required to facilitate the completion of any naval vessel or aircraft, or parts thereof, in private plants shall be final, subject to approval by the President and review by the Federal courts. This decision may be made at any time after the contract is awarded if in the judgment of the Secretary of the Navy sufficient data are available to permit of reasonable accuracy: *Provided*, That the Secretary of the Navy shall report to the Congress, at the beginning of each regular session, the cost of such special equipment and facilities to be borne by the Government under each contract.

And in lieu thereof to insert the following:

SEC. 4. In the case of every contract or subcontract for the construction or manufacture of any complete naval vessel or Army or Navy aircraft or any portion thereof which is entered into (whether before or after the date of approval of this act), the Secretary of War or the Secretary of the Navy, as the case may be, after agreement with the contractor or subcontractor, shall certify to the Commissioner of Internal Revenue as to (a) the necessity and cost of special additional equipment and facilities acquired to facilitate, during the national emergency declared

by the President on September 8, 1939, to exist, the completion of such naval vessel or Army or Navy aircraft or portion thereof in private plants and (b) the percentage of cost of such special additional equipment and facilities to be charged against such contract or subcontract. For all purposes of section 3 of the act of March 27, 1934 (48 Stat. 505; 34 U. S. C. 496), as amended, such certification shall, subject to such regulations as the President may prescribe, be binding upon the Commissioner of Internal Revenue. The part of such cost chargeable against the contract or subcontract in pursuance of such certification, shall, for the purposes of such section 3, be considered to be a reduction of the contract price of the contract or subcontract. The amount charged against the contract or subcontract in pursuance of such certification shall, for the purposes of such section 3, be applied against and reduce the cost or other basis of such special additional equipment and facilities as of the date of installation thereof: *Provided*, That the Secretary of War or the Secretary of the Navy, as the case may be, shall report to the Congress, every 3 months, the cost of such special additional equipment and facilities to be borne by the Government under each contract.

The amendment was agreed to.

The next amendment was, on page 7, after line 2, to strike out:

SEC. 5. Notwithstanding the provisions of any other law the regular hours of labor for employees of the United States Government, and of contractors and subcontractors, when such employees are engaged in work in connection with naval vessels or aircraft or parts thereof or other work incidental thereto, shall, during the period of any national emergency declared by the President to exist, be a 5-day week of 8 hours per day and 40 hours per week: *Provided*, That these hours may be exceeded and that such employees shall receive compensation for their employment in excess of the hours above specified at a rate not less than one and one-half times the regular rate at which they are employed: *Provided further*, That such compensation for overtime shall apply only to per diem, hourly, professional and subprofessional employees and to blueprinters, photostat and rotaprint operators, inspectors, supervisory planners and estimators, and progressmen, and assistants to shop and plant superintendents of the C. A. F. service, all as defined by the Classification Act of March 4, 1923 (42 Stat. 1488; U. S. C. 5, ch. 13), as amended, and by the classification rules of the United States Civil Service Commission in the case of Government employees; and to similar classes of employees of contractors and subcontractors: *Provided further*, That in determining the overtime compensation of per annum Government employees the pay for 1 day shall be considered one three-hundred-and-sixtieth of their respective per annum salaries: *Provided further*, That the hours of labor in any one week shall not exceed 48 unless the President shall declare it necessary in the interest of the national defense: *Provided further*, That the President of the United States is authorized to suspend during the period of any national emergency declared by him to exist, the provisions of the act of March 3, 1931 (46 Stat. 1482), if in his judgment such course is necessary in the interest of the national defense: *And provided further*, That the Secretary of the Navy is authorized to modify existing contracts accordingly.

And in lieu thereof to insert the following:

SEC. 5. (a) Notwithstanding the provisions of any other law, the regular working hours of the Navy Department and the Coast Guard and their field services shall be 8 hours a day or 40 hours per week during the period of the national emergency declared by the President on September 8, 1939, to exist: *Provided*, That under such regulations as the head of the Department concerned may prescribe, and where additional employees cannot be obtained to meet the exigencies of the situation, these hours may be exceeded: *Provided further*, That compensation for employment in excess of 40 hours in any administrative workweek computed at a rate not less than 1½ times the regular rate shall be paid to per annum, per month, per diem, per hour, and piece-work employees: *Provided further*, That in determining the overtime compensation of per annum Government employees the pay for 1 day shall be considered to be one three-hundred-and-sixtieth of their respective per annum salaries: *Provided further*, That the President is authorized to suspend, in whole or in part, for the War and Navy Departments and for the Coast Guard and their field services, during the period of the national emergency declared by him on September 8, 1939, to exist, the provisions of the act of March 3, 1931 (46 Stat. 1482; U. S. C. 5, 26 (a)), if in his judgment such course is necessary in the interest of national defense, and any regulations issued pursuant to the act of March 14, 1936 (49 Stat. 1161; U. S. C., Supp. V, title 5, sec. 29 (a)), may be modified accordingly: *And provided further*, That notwithstanding the provisions of any other law, the President is hereby authorized, in his discretion, to prescribe regulations to establish such uniformity among the War and Navy Departments and the Coast Guard and their field services in regard to hours of work and compensation for overtime of their civilian employees as he may deem necessary in the interest of national defense.

(b) During the national emergency declared by the President on September 8, 1939, to exist, the provisions of law prohibiting more than 8 hours' labor in any 1 day of persons engaged upon work covered by Army, Navy, and Coast Guard contracts shall be suspended.

Mr. WAGNER. Mr. President, will the Senator yield for a question?

Mr. WALSH. I yield.

Mr. WAGNER. The committee amendment which is now under consideration not only has the effect of suspending the law with reference to 8 hours of labor per day, but it also deprives the worker, if he is required to work more than 8 hours, of time and a half for overtime. I wonder why this provision is in the bill at all, because under the present law the President is authorized, under section 326 of the United States Code, title 40, to suspend certain provisions of law. Let me read that law:

In case of national emergency the President is authorized to suspend provisions of law prohibiting more than 8 hours' labor in any one day of persons engaged upon work covered by contracts with the United States: *Provided*—

And this is left out in the amendment we are now considering—

That the wages of persons employed upon such contracts shall be computed on a basic rate of 8 hours' work, with overtime rates to be paid for at not less than time and a half for all hours of work in excess of 8 hours.

If the committee amendment should be adopted, this law may be suspended, so that a wage earner may be required to work 12 hours, or whatever the hours may be above 8, without being entitled to time and a half for overtime. This is the only case I know of in all our labor laws in which the worker is deprived of time and a half for overtime.

Mr. WALSH. Mr. President, the labor provisions of the bill caused the committee to give them a considerable amount of attention; and so far as I know they are generally approved by those who represent labor, and also by the Navy Department, the Army, and the President.

I do not know that I have the point which the Senator is presenting; but, in brief, the bill seeks to establish this policy: That there shall be no overtime work of any kind by anybody, unless no one can be found in the country who can do the work except some expert who is indispensable. In other words, there is a provision in the bill which takes care of the situation. It is the desire of the committee and of the administration that the speeding up of the building of vessels and the manufacture of airplanes shall lead to an expansion of labor. For instance, there is no reason why a helper in the navy yard needs to work overtime. Anybody can learn to be a helper in a few days. There is no need for a common laborer to work overtime. What we are striving to do is to put a large number of additional employees to work in the navy yard. The bill does permit overtime over 40 hours; but, I repeat, it is the intention to limit and restrict overtime to those persons in the employ of the Navy Department who are indispensable, such as drafters of plans, skilled mechanics, and technicians of one kind or another. If they are employed overtime they are to receive for each hour of overtime one and a half times their hourly rate.

Mr. WAGNER. Mr. President, may I interrupt the Senator?

Mr. WALSH. Yes.

Mr. WAGNER. That is not the case in the amendment beginning on page 9, in line 23. In section 5 (a) it is specifically stated that if the hours of employment exceed 40 hours a week, the rate for the increased hours shall be time and a half for overtime.

Mr. WALSH. Yes.

Mr. WAGNER. I am sure that this is an oversight, because this other provision to which I have referred permits the suspension of the 8-hour law; and the employee, though he may work 12 hours a day, or any number of hours over 8 hours a day, is given only the regular per diem wage, and not time and a half for overtime. If the Senator will permit me to read the present law, and then compare it with the committee amendment, I shall appreciate it.

Mr. WALSH. What is there in this provision which denies time and a half to anyone who works overtime?

Mr. WAGNER. The committee amendment reads:

During the national emergency declared by the President on September 8, 1939, to exist, the provisions of law prohibiting more

than 8 hours' labor in any one day of persons engaged upon work covered by Army, Navy, and Coast Guard contracts shall be suspended.

If that law is suspended, we suspend the limitation of 8 hours, and we suspend the other provision of law which gives the laborer time and a half for overtime. It is very clear. May I read the present law on that very question?

Mr. WALSH. Certainly.

Mr. WAGNER. The present law reads:

In case of national emergency the President is authorized to suspend provisions of law prohibiting more than 8 hours' labor in any 1 day of persons engaged upon work covered by contracts with the United States.

Thus far it reads just as the proposed amendment reads, in effect; but here is the proviso in the present law, which is omitted in the committee amendment.

Provided, That the wages of persons employed upon such contracts shall be considered on a basic rate of 8 hours' work, with overtime rates to be paid for at not less than time and a half for all hours of work in excess of 8 hours.

It is that proviso that I should like to see in this particular amendment.

Mr. WALSH. Mr. President, first of all, the administration does not want to assume the responsibility of exercising the power given in the law to which the Senator refers.

Mr. WAGNER. The very same power is given here.

Mr. WALSH. We are giving it for overtime work only, and with the limitation that it may be exercised only in the case of persons who are indispensable in order to carry out these contracts.

Mr. WAGNER. But if the proviso is put in that for all time over 8 hours per day the employee is entitled to time and a half, I have no objection to the amendment. As it is now, a representative of one of the labor organizations called my attention to the fact that we are permitting the suspension of a law without providing any time-and-a-half for overtime, which we do in every other case.

Mr. WALSH. Is the Senator talking about the labor laws with regard to overtime which apply to private concerns, or those which apply to the Government?

Mr. WAGNER. I am talking about contracts with the Army, Navy, or any other Government department.

Mr. WALSH. Therefore, the Senator means contracts with private concerns?

Mr. WAGNER. That is what this amendment refers to.

Mr. WALSH. Most of it would be with our own navy yards.

Mr. WAGNER. The amendment reads:

of persons engaged upon work covered by Army, Navy, and Coast Guard contracts.

Those are contracts by private concerns. If the Senator will look at the provision, I feel very certain that he will find that I am right.

Mr. WALSH. I am sure there was no intention to make any discrimination.

Mr. WAGNER. I am sure of that. I know the Senator is one of the great champions of labor in the Senate.

Mr. WALSH. If the Senator has any doubt about it, let us have the amendment, and we will let it go into conference.

Mr. WAGNER. Of course, my contention is that it is not necessary at all.

Mr. WALSH. But so far as the committee's intentions were concerned, they were that every person who was employed overtime, whether he was subject to the provisions of the national wage-and-hour law or whether he was subject to the Walsh-Healey law which deals with public contracts, should receive one and one-half time for every hour over 40 hours.

Mr. WAGNER. That is true, and that is shown by the other provisions of the bill. If the Senator will take this proviso and put it at the end, it will cover the matter:

Provided, That the wages of the persons employed upon such contracts shall be computed on a basic day rate of 8 hours' work, with overtime work to be paid for at not less than time and one-half for all hours of work in excess of 8 hours.

Mr. WALSH. That is perfectly acceptable if it is not already included in the language of the bill.

Mr. WAGNER. I may say that it is not there.

The PRESIDING OFFICER. If the Senator from New York will send his amendment to the desk, it will be stated.

Mr. WAGNER. I send the amendment to the desk.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. On page 10, line 2, after the word "suspended", it is proposed to insert:

Provided, That the wages of the persons employed upon such contracts shall be computed on a basic day rate of 8 hours' work, with overtime work to be paid for at not less than time and one-half for all hours of work in excess of 8 hours.

The amendment to the amendment was agreed to.

Mr. BANKHEAD. Mr. President, the Senate met this morning at 11 o'clock. It is now 8:30. We have been in session for 9 hours and 30 minutes. I have been here practically all day, and during that time I have heard only one speech directed to the subject under consideration, which is the Navy bill. We had a very wonderful strong address by the able Senator from Massachusetts. The rest of the day has been devoted to oratory.

I send to the desk a resolution, which I ask to have read and lie on the table.

The PRESIDING OFFICER. The resolution will be read.

The resolution (S. Res. 285) was read as follows:

Resolved, That the Vice President appoint a committee of three Members of the Senate to consider and report to the Senate on the advisability of renting a hall in Washington to provide radio and other suitable facilities for public speaking by Members of this body who have the urge to address the public, and thereby permit other Members of the Senate to engage in the transaction of public business. The said committee shall also consider the advisability of closing the galleries when one-third of the Senators sign a statement that they desire to proceed to a consideration of public business without being prevented from doing so by orations not germane to the measure pending before the Senate.

[Laughter.]

Mr. BANKHEAD. I ask that the resolution lie on the table for future consideration.

The PRESIDING OFFICER. The resolution will be printed and lie on the table.

Mr. GILLETTE. Mr. President, referring to the amendment just presented by the Senator from New York and adopted, for the purpose of calling the matter to the attention of the conferees, I desire to state that I believe it will make a conflict between subsection (b) and subsection (a) when the amendment as adopted is considered. In order to call it to the attention of the conferees, I have interrupted the Senator at this time.

Mr. WALSH. I think all the members of our committee consider that the amendment is unnecessary, but, in view of the feeling of the Senator from New York, I accepted it. Let me say, before I comment upon the resolution presented by the distinguished Senator from Alabama, that it reminds me of the story of the lawyer who was making an impassioned plea to the jury and was desperately seeking to bring tears to the eyes of the jury in order that they would be sympathetic toward the case of his client. The judge called for order and said, "If this sobbing and weeping does not stop, I am going to clear the courtroom." Thereupon the lawyer said, "Your Honor, turn out the men folks if you will, but spare, oh, spare, the women and children so that they can cry!" [Laughter.]

So I am sure that the orators to whom the Senator refers would want at least the women and children to be left in the galleries, even if we turned out the men folks.

Mr. BANKHEAD. If that suggestion were carried out it would destroy the effect of the resolution, because it would not stop the speaking.

Mr. WAGNER. Mr. President, because of the statement made by the distinguished Senator from Iowa [Mr. GILLETTE], I should like to state that subdivision (a) on page 9 refers to Government employees, whereas subdivision (b) refers to employees on Government contracts with private concerns. That is a clear distinction.

The PRESIDING OFFICER. The next amendment reported by the committee will be stated.

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The next amendment was, on page 10, line 8, after the word "the" where it occurs the second time, to strike out "Navy Department" and insert "War and Navy Departments"; in line 21, after the word "employment" and the colon, to strike out: "And provided further, That in connection with the defense program of the United States the provisions of section 6 of the act of August 24, 1912 (37 Stat. 555; U. S. C., title 5, sec. 652), may be waived in any case when approved by the Secretary of the Navy," and insert: "Provided further, That during the national emergency declared by the President on September 8, 1939, to exist, the provisions of section 6 of the act of August 24, 1912 (37 Stat. 555; U. S. C., title 5, sec. 652), shall not apply to any civil-service employee of the War or Navy Departments or of the Coast Guard, or their field services, whose immediate removal is, in the opinion of the Secretary concerned, warranted by the demands of national security, but nothing herein shall be construed to repeal, modify, or suspend the proviso in that section. Those persons summarily removed under the authority of this section may, if in the opinion of the Secretary concerned, subsequent investigation so warrants, be reinstated, and if so reinstated shall be allowed compensation for the period of such removal at the rate they were receiving on the date of removal: And provided further, That within 30 days after such removal any such person shall have an opportunity personally to appear before the official designated by the Secretary concerned and be fully informed of the reasons for such removal, and to submit, within 30 days thereafter, such statement or affidavits, or both, as he may desire to show why he should be retained and not removed," so as to make the section read:

SEC. 6. Notwithstanding the provisions of section 2 of the act of May 29, 1930 (46 Stat. 468), and section 204 of the act of June 30, 1932 (47 Stat. 404), any person heretofore or hereafter retired under the Civil Service Retirement Act of May 29, 1930, as amended, may be reemployed in the service of the War and Navy Departments: *Provided*, That there shall be deducted and withheld from the basic salary, pay, or compensation of such person and credited to his account as provided in section 12 (a) of the act of May 29, 1930, as amended, the regular deductions prescribed by the said act: *Provided further*, That upon separation from the service for any cause such person may elect to receive a refund of the total deductions so withheld together with interest at 4 percent per annum compounded on June 30 of each year, or receive credit for the additional service in the computation of any annuity awarded thereafter: *Provided further*, That payment of the annuity of such person shall be suspended during the period of such employment: *Provided further*, That during the national emergency declared by the President on September 8, 1939, to exist, the provisions of section 6 of the act of August 24, 1912 (37 Stat. 555; U. S. C., title 5, sec. 652), shall not apply to any civil-service employee of the War or Navy Departments or of the Coast Guard, or their field services, whose immediate removal is, in the opinion of the Secretary concerned, warranted by the demands of national security, but nothing herein shall be construed to repeal, modify, or suspend the proviso in that section. Those persons summarily removed under the authority of this section may, if in the opinion of the Secretary concerned, subsequent investigation so warrants, be reinstated, and if so reinstated shall be allowed compensation for the period of such removal at the rate they were receiving on the date of removal: *And provided further*, That within 30 days after such removal any such person shall have an opportunity personally to appear before the official designated by the Secretary concerned and be fully informed of the reasons for such removal, and to submit, within 30 days thereafter, such statement or affidavits, or both, as he may desire to show why he should be retained and not removed.

The amendment was agreed to.

The next amendment was, on page 12, line 4, after the word "Establishment", to insert "and of the Coast Guard"; in line 5, after the word "of", to strike out "any" and insert "the"; in line 6, after the name "President", to insert "on September 8, 1939"; in line 13, after the word "employees", to strike out "in those trades and occupations wherein a shortage exists" and insert "whose services at the time cannot, in the judgment of the Secretary of the Navy or the Secretary of the Treasury, as the case may be, be spared without detriment to the national defense", so as to make the section read:

SEC. 7. The act of March 14, 1936, entitled An act to provide for vacations to Government employees and for other purposes" (49 Stat. 1161), is hereby amended by adding, after section 7, a new section to read as follows:

"SEC. 8. Employees of the Navy Department and the Naval Establishment and of the Coast Guard may, during the period of the

national emergency declared by the President on September 8, 1939, to exist, be employed during the time they would otherwise be on vacation without deprivation of their vacation pay for the time so worked. Employees who forego their vacations in accordance with the provisions of this section may be paid, in addition to their regular pay, the equivalent of the pay they would have drawn during the period of such vacation. The provisions of this section shall be applicable only to employees whose services at the time cannot, in the judgment of the Secretary of the Navy or the Secretary of the Treasury, as the case may be, be spared without detriment to the national defense."

The amendment was agreed to.

The next amendment was, on page 12, after line 17, to strike out:

Sec. 8. The limit of cost of the vessels authorized by the act of July 30, 1937 (50 Stat. 544), is hereby increased by an amount equal to additional costs resulting from the provisions of this act.

And in lieu thereof to insert the following:

Sec. 8. (a) The limit of cost of the vessels authorized by the act of July 30, 1937 (50 Stat. 544), and any statutory limitation with respect to the cost of any other individual project of construction are hereby increased as may be necessary to expedite national defense and otherwise effectuate the purposes of this act: *Provided*, That the monetary limitations on payments out of appropriations available to the Navy Department for employees in the Navy Department and for employees in the field service assigned to group IV (b) and those performing similar services carried under the Native and Alien Schedules of Wages of civil employees in the field services of the Navy Department shall be suspended during the limited national emergency declared by the President on September 8, 1939, to exist: *Provided further*, The Secretary of the Navy is authorized to employ such additional personnel at the seat of government and elsewhere, and to provide out of any appropriations available to the Navy Department, for their salaries and for such printing and binding, communication service, supplies, travel expenses, and for such public works projects, inclusive of buildings, facilities, utilities, and appurtenances thereto (including Government-owned facilities at privately owned plants and the expansion of such plants), and the acquisition of such land, and the purchase or lease of such structures, as he may deem necessary to carry out the purposes of this act.

(b) The Secretary of the Navy is further authorized, with or without advertising or competitive bidding, to provide out of any available naval appropriations, for the operation and maintenance of any plants, buildings, facilities, utilities, and appurtenances thereto constructed pursuant to the authorizations contained in this act, either by means of Government personnel or through the agency of selected qualified commercial manufacturers under contracts entered into with them, and when he deems it necessary in the interest of national defense, to lease, sell, or otherwise dispose of any such plants, buildings, facilities, utilities, appurtenances thereto, and land, under such terms and conditions as he may deem advisable, and without regard to the provisions of section 321 of the act of June 30, 1932 (47 Stat. 412): *Provided*, That the Secretary of the Navy shall report every 3 months to the Congress, each and every contract amounting to \$100,000 and over, entered into under the authority of this section.

The amendment was agreed to.

The next amendment was, on page 14, after line 14, to strike out:

Sec. 9. As used in this act, the words "national emergency" shall be deemed to include the limited national emergency declared by the President on September 8, 1939.

And to insert in lieu thereof the following:

Sec. 9. The Secretary of the Navy and the Secretary of the Treasury are hereby authorized to modify existing contracts, including Coast Guard contracts, as the Secretary concerned may deem necessary to expedite military and naval defense, and to otherwise effectuate the purposes of this act.

The amendment was agreed to.

The next amendment was, on page 14, after line 23, to strike out:

Sec. 10. The provisions herein contained shall be effective for a period of 3 years beginning with the date of approval of this act.

And insert in lieu thereof the following:

Sec. 10. Hereafter the approval of the Secretary of the Navy, acting by direction of the President, shall constitute approval by the President as required by section 4 of the act approved April 25, 1939 (53 Stat. 590, 592), necessary to the validity of any contract entered into under authority contained in said section.

The amendment was agreed to.

The next amendment was, on page 15, after line 8, to insert:

Sec. 11. (a) No aliens employed by a contractor in the performance of secret, confidential, or restricted Government contracts shall be permitted to have access to the plans or specifications, or the work under such contracts, or to participate in the contract trials,

unless the written consent of the head of the Government department concerned has first been obtained, and any person who willfully violates or through negligence permits the violation of the provisions of this subsection shall be fined not more than \$10,000 or imprisoned not more than 5 years, or both.

(b) Any alien who obtains employment on secret, confidential, or restricted Government contracts by misrepresentation of his alien status, or who makes such misrepresentation while seeking such employment, shall be fined not more than \$10,000 or imprisoned not more than 5 years, or both.

(c) For the purpose of this section, the term "person" shall be construed to include an individual, partnership, association, corporation, or other business enterprise.

The amendment was agreed to.

The next amendment was, on page 16, after line 3, to insert:

Sec. 12. The provisions of all preceding sections of this act shall terminate June 30, 1942, unless the Congress shall otherwise provide.

The amendment was agreed to.

The next amendment was, on page 16, after line 6, to insert:

Sec. 13. Section 6 of the act approved June 30, 1936 (49 Stat. 2036; U. S. C., Supp. V, title 41, secs. 35-45), is hereby amended by adding "*Provided*, That whenever in his judgment such course is in the public interest, the President is authorized to suspend any or all of the representations and stipulations contained in section 1 of this act."

The amendment was agreed to.

The PRESIDING OFFICER. The bill is open to further amendment.

Mr. WALSH. Mr. President, there are some additional amendments which I should like to present for the committee, and I now send to the desk the first of these important amendments.

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

Mr. WALSH. I yield.

Mr. DANAHER. Since we are at this moment on this particular topic, I direct the attention of the Senator from Massachusetts to page 15, line 19, and ask him if he will not consent to the interpolation of the word "knowingly", or a word or phrase having the effect of that word, so that a person who innocently misrepresents his status may not be subjected to the enormous penalty of a possible fine of \$10,000 or imprisonment of not more than 5 years?

Mr. WALSH. The Senator has called attention to subsection (b) on page 15, which reads as follows:

(b) Any alien who obtains employment on secret, confidential, or restricted Government contracts by misrepresentation of his alien status, or who makes such misrepresentation while seeking such employment, shall be fined not more than \$10,000 or imprisoned not more than 5 years, or both.

I am wondering how anyone could knowingly make a misrepresentation of his alien status.

Mr. DANAHER. Let me say to the Senator from Massachusetts that within a very few months I saw a man accepted for jury service in a State which is particularly attentive to the requirements of a citizen's status for jury service, and all his life he had supposed he was a citizen, as did the jury commissioner in his town, and as did the registrar of voters in his town. It developed, from the diligence of some lawyer who chose to look the matter up, that that individual was born in Nova Scotia, and had never qualified as a citizen of this country. The gentleman, in complete good faith, thought he was a citizen.

I think that if we insert the word "knowingly," or a phrase which will have the effect of protecting against some misrepresentation which would have the effect of altering the status of an alien, such protection would be justifiable, and we should protect people against such a result.

Mr. WALSH. Of course, as the Senator knows, the purpose of this section is to prevent a person claiming to be an American citizen when he is not, and getting employment and dealing with secret confidential plans for the building of naval vessels and airplanes and similar work. When such misrepresentation is made, it permits criminal action to be taken against such a person. It is an effort to prevent sabotage and prevent the disclosure of secret plans of our

Government. I would be the last, as the Senator knows, to want anyone punished who was innocent.

Mr. DANAHER. Of course.

Mr. WALSH. I am somewhat disturbed about the word "knowingly," because of the defense which would be raised in cases where one claimed to be a citizen and was not a citizen. He could say he did not understand, that he speaks poor English, or really thought he was a citizen when he was not. I wish the Senator could use some more moderate phrase.

Mr. DANAHER. I appreciate the position of the Senator from Massachusetts and agree with him fully in the objective he seeks. I understand he has some further committee amendments to submit, and I suggest we proceed with them, and meanwhile I will prepare language I am sure will meet with his approval.

Mr. WALSH. I suggest that the Senator use the word "innocently," or "unconsciously," or "believing that he was a citizen of the country," some such language.

I now ask that the vote by which the amendment on page 2, line 24, was agreed to, be reconsidered.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and the vote is reconsidered.

Mr. WALSH. I now offer an amendment to follow this amendment of the committee.

The PRESIDING OFFICER. The clerk will state the amendment submitted by the Senator from Massachusetts.

The CHIEF CLERK. It is proposed to insert on page 3, line 23, to follow section 2 (a), the following:

Provided further, That nothing herein contained shall relieve a bidder or contractor of the obligation to furnish the bonds under the requirements of the act of August 24, 1935 (49 Stat. 793; 40 U. S. C. 270 (a) to (d)): *Provided further*, That the cost-plus-a-percentage of cost system of contracting shall not be used under the authority granted by this subsection to negotiate contracts; but this proviso shall not be construed to prohibit the use of the cost plus a fixed-fee form of contract when such use is deemed necessary by the Secretary of the Navy: *And provided further*, That the fixed fee to be paid the contractor as a result of any contract entered into under the authority of this subsection, or any War Department contract entered into in the form of cost plus a fixed fee shall not exceed 7 percent of the estimated cost of the contract (exclusive of the fee as determined by the Secretary of the Navy or the Secretary of War, as the case may be), nor more than 7.53 percent of the cost of performing such contract (exclusive of the fee).

Mr. WALSH. Mr. President, in many respects this is the most important provision in the bill. In existing law there is a provision that no contractor who enters into a contract with the United States Government for the building of a naval vessel can make more than 10-percent profit on the contract. There is also provision in existing law that no contractor entering into a contract with the United States Government to build airplanes can receive more than 12-percent profit.

In the bill we are removing the obligation for competitive bidding in the building of vessels and the building of airplanes, in the expectation and hope that quick, sudden negotiations without advertising for bids may increase the speed with which we can move in building ships and airplanes.

We are providing for private negotiation between the Navy Department and the War Department, so far as planes are concerned, and the Navy Department so far as vessels and planes are concerned, with contractors. The committee felt that under these circumstances the profit to which they are now entitled by law, of 10 percent and 12 percent, should be reduced.

We met with opposition in our effort to do this. We discovered, in the course of our investigation, that originally the profit was 10 percent under contracts with both airplane manufacturers and shipbuilders, but in some mysterious way an amendment crept into the law in 1939, in some Army bill, which gave 12 percent to airplane manufacturers. We could see no reason for a difference in the profit to a shipbuilder and an airplane manufacturer when they are negotiating without competition for a contract, and when they do not need to take the contract if they do not want to. Therefore, we have provided in the bill for a maximum profit of 7 percent. We have also provided that, even if the

price is agreed to and the cost is less than the agreed price, the contractor will receive only 7.53 percent, which means that the Government would make more money by paying 7.53 percent if the cost is below the agreed price, than it would by giving the 7-percent price.

In my opinion, this provision is one of the most important and one of the best in the measure. We pointed out to the opposition that, in view of the fact that the Navy would make contracts for a billion dollars on ships, the manufacturers ought to make some sacrifice in respect to the matter of profits; that the contractors as well as the taxpayers and those in the military service of the country should make sacrifices for the good of the country. We were actuated to do this by the fact that it was disclosed to us that in the year 1938 the returns made by shipbuilders and airplane builders showed profits ranging between 14 and 24 percent. I must add that that was upon their entire business and not solely and alone upon Government business. So, if the bill is enacted and this provision is accepted in conference, it will represent an effort made by the Congress for some diminution in the amount of peacetime profits on the part of contractors who are building our ships and our airplanes.

Sooner or later, of course, if we go to war, some such provision of law for limitation of profits must be applied to every contract made by the Army and Navy.

The committee was moved to do this because in the law already there is a limitation on profits, and, therefore, this reduction was made.

I wish to take occasion to commend the members of the Committee on Naval Affairs who cooperated in insisting upon this amendment being placed in the bill.

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

The amendment to the amendment was agreed to.

The amendment, as amended, was agreed to.

Mr. WALSH. I now ask that the vote by which the amendment on page 2, line 24, was agreed to, be reconsidered.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and the vote is reconsidered.

Mr. WALSH. I now offer an amendment, which I ask to have stated.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. On page 3, line 10, after the word "orders", it is proposed to insert "and all Army contracts and orders."

Mr. WALSH. That is put in at the request of the Army, which desires that that particular provision apply to the Army as well as to the Navy.

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

The amendment to the amendment was agreed to.

The amendment, as amended, was agreed to.

Mr. WALSH. I now ask that the vote by which the amendment on page 12, line 22, was agreed to be reconsidered.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and the vote is reconsidered.

Mr. WALSH. I send forward another amendment, which I ask to have stated.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. On page 12, line 24, after the word "individual", it is proposed to insert the word "naval."

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

The amendment to the amendment was agreed to.

The amendment, as amended, was agreed to.

Mr. WALSH. I now ask that the vote by which the amendment on page 8, line 14, was agreed to, be reconsidered.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and the vote is reconsidered.

Mr. WALSH. I offer another amendment which I ask to have stated.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. On page 9, line 1, after the word "paid", it is proposed to insert the word "only", and on line 2, after the word "employees", insert the words "in the field services of the War Department, the Navy Department, and the Coast Guard."

Mr. WALSH. I wish to make a brief explanation of that amendment for the RECORD. The amendment has the effect of limiting the overtime work of those in the field service of the Navy and the Army. It is not intended that the overtime work should apply to the office staff here in Washington or in the bureaus, because practically all the work they do can be done by others. In other words, there are additional clerks and additional stenographers and additional messengers to be employed.

So we have limited the overtime work to those in the field, that is those in the munitions plants of the Government and in the navy yards, and we have limited it so far as possible to those who are indispensable.

I repeat, the purpose of the committee and the purpose of the administration is to make overtime work as negligible as possible in speeding up and the employment of two and three shifts, to give this work to people who are unemployed.

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

The amendment to the amendment was agreed to.

The amendment, as amended, was agreed to.

Mr. WALSH. I send to the desk another amendment which I ask to have stated.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. At the end of the bill it is proposed to add a new section 14, as follows:

SEC. 14. (a) Notwithstanding the provision of any other law, no military or naval weapon, ship, boat, aircraft, munitions, supplies, or equipment, to which the United States has title, in whole or in part, or which have been contracted for, shall hereafter be transferred, exchanged, sold, or otherwise disposed of in any manner whatsoever unless the Chief of Naval Operations, in the case of naval material, and the Chief of Staff of the Army, in the case of military material, shall first certify that such material is not essential to and cannot be used in the defense of the United States.

(b) The Secretary of War and the Secretary of the Navy as the case may be, are hereby requested and directed to furnish or cause to be furnished to the chairman of each Committee on Naval Affairs of the Congress of the United States a copy of each contract, order, or agreement covering the exchange of deteriorated, unserviceable, obsolescent, or surplus military or naval equipment, munitions, or supplies exchanged for other military or naval equipment, munitions, or supplies, and a copy of each contract, order, or agreement shall be furnished regarding any other disposition of military or naval equipment, munitions, and supplies by which the title passes, either de jure or de facto, from the United States, or by which delivery of material thereunder is deferred, where the original cost of such military or naval equipment, munitions, or supplies exceeded or exceeds \$2,000. The copies of each contract, order, or agreement herein referred to shall be transmitted to the respective chairmen of the Committee on Naval Affairs not later than 24 hours after such contract, order, or agreement is made, and the chairman of each committee shall consider such contracts, orders, or agreements confidential unless a majority of the members of his committee shall direct the particular transaction to be made public.

(c) Nothing herein contained shall be construed to repeal or modify sections 3 and 6, title V of the act approved June 15, 1917 (40 Stat. 222; U. S. C., title 18, secs. 33 and 36).

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

The amendment was agreed to.

Mr. WALSH. I now ask that the vote by which the amendment on page 15, line 19, was agreed to be reconsidered.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and the vote is reconsidered.

Mr. WALSH. The Senator from Connecticut [Mr. DANAHY] made a suggestion a few minutes ago with reference to an amendment which he has now modified and which I think could properly be accepted. I send the amendment proposed by the Senator from Connecticut to the desk and ask that it be stated.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. On page 15, line 20, after the word "by", it is proposed to insert "willful"; and, in line 21, after the word "such", it is proposed to insert "willful."

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

The amendment to the amendment was agreed to.

The amendment, as amended, was agreed to.

Mr. WALSH. I now offer another amendment, title 2, in which the Senator from New York is interested particularly. Frankly, I have not had the opportunity to give it the study and attention it deserves. It is an amendment to permit some of the funds appropriated for the Army and Navy to be used for housing facilities for the workmen in the expanded class that may become necessary. I ask that the amendment be accepted and at least taken to conference for further study and consideration.

I send the amendment to the desk and ask that it be stated.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. At the end of the bill it is proposed to add a new title II, as follows:

"TITLE II

"SECTION 201. In connection with the national-defense program, the Navy and War Departments and the United States Housing Authority are hereby authorized to cooperate in making necessary housing available for persons engaged in national-defense activities, as hereinafter provided. 'Persons engaged in national-defense activities' (as that term is used in this title) shall include (i) enlisted men with families, who are in the naval and military service (excluding officers) and employees of the Navy and War Departments who are assigned to duty at naval or military reservations, posts, or bases, and (ii) workers with families, who are engaged or to be engaged in industries connected with and essential to the national-defense program. No project shall be developed or assisted for the purposes of this title except with the approval of the President and upon a determination by him that there is an acute shortage of housing in the locality involved which impedes the national-defense program.

"Sec. 202. (a) Projects may be initiated hereunder by the Navy or War Department to provide dwellings on or near naval or military reservations, posts, or bases for rental to the enlisted men and employees of the Navy and War Departments described in section 201. Such projects shall be developed by the Navy or War Department or by the Authority, whichever the President determines is better suited to the fulfillment of the purposes of this title with respect to any particular project. If the development of such project is to be undertaken by the Navy or War Department, the Authority is authorized to aid the development of the project by furnishing technical assistance and by transferring to such Department the funds necessary for the development of the project. Any project developed for the purpose of this section shall be leased to the Navy or War Department by the Authority (which shall have title to such project until repayment of the cost thereof to the Authority as prescribed in such lease) upon such terms as shall be prescribed in the lease, which may be the same terms as are authorized by the United States Housing Act of 1937, as amended, with respect to leases to public-housing agencies. All the provisions of said act which apply to the development of projects by the Authority shall (insofar as applicable and not inconsistent herewith) apply to the development of projects by the Navy or War Department. Notwithstanding other provisions of this or any other law, the Department leasing a project shall have the same jurisdiction over such project as it has over the reservation, post, or base in connection with which the project is developed.

"(b) The Navy or War Department, in connection with any project developed or leased by it, and the Authority, in connection with any project developed or assisted by it, for the purposes of this title, may acquire real or personal property or any interest therein by purchase, eminent domain, gift, lease, or otherwise. The provisions of section 355 of the Revised Statutes shall not apply to the acquisition of any real property by the Navy or War Department or by the Authority for the purposes of this title or to the project developed thereon, and the provisions of section 321 of the act of June 30, 1932 (U. S. C., 1934 ed., title 40, sec. 303b), shall not apply to any lease of any project developed for the purposes of this title or of any dwelling therein. Condemnation proceedings instituted by the Authority shall be in its own name and the practice and procedure governing such proceedings by the United States shall be followed, and the Authority shall likewise be entitled to proceed in accordance with the provisions of the act of Congress approved February 26, 1931 (46 Stat. 1421), and an act of Congress approved March 1, 1929 (45 Stat. 1415). If the Authority acquires land in connection with a project to be assisted for the purposes of this title, it may convey such land to the public-housing agency involved for a consideration equal to the cost of the land to the Authority. The Navy and War Departments and the Authority may negotiate, contract, and fix such fees as they determine are reasonable for the services

of architects, engineers, surveyors, appraisers, title examiners, and real-estate negotiators in connection with specific projects developed by them under this title. The Secretaries of Navy and War are hereby authorized to make available to the Authority any land that is needed for a project to be developed by the Authority and leased to the Navy or War Department and to execute such leases, agreements, and other instruments with the Authority as may be necessary to carry out the purposes of this title.

"Sec. 203. In any localities where the President determines that there is an acute shortage of housing which impedes the national-defense program and that the necessary housing would not otherwise be provided when needed for persons engaged in national-defense activities, the Authority may undertake the development and administration of projects to assure the availability of dwellings in such localities for such persons and their families, or the Authority may extend financial assistance to public-housing agencies for the development and administration of such projects. Such financial assistance to public-housing agencies shall be extended (except as otherwise provided herein and not inconsistent herewith) under the provisions of, and in the same manner and forms as provided in, title I of the United States Housing Act of 1937, as amended, with respect to other housing projects.

"Sec. 204. Any contract made for financial assistance under the United States Housing Act of 1937, as amended, may be revised so as to provide that the project involved will be assisted for any of the purposes of this title. The Navy or War Department or the Authority, in the administration of any project developed for the purposes of this title, shall fix rentals for persons engaged in national-defense activities and their families which will be within their financial reach, and the Authority, in any contract for financial assistance or any lease of such a project, shall require the fixing of such rentals. Projects developed by the Navy or War Department, or developed or assisted by the Authority, for the purposes of this title shall not be subject to the elimination requirements of sections 10 (a) and 11 (a) of said act, or to any provisions of section 9 of said act which would require any part of the development cost thereof to be met in any manner other than from funds loaned or furnished by the Authority. Funds expended for the purposes of this title shall be excluded in determining, for the purposes of section 21 (d) of said act, the amounts expended within each State. Except as otherwise provided herein or as may be inconsistent herewith, all the provisions of title I of said act shall apply to this title. During the period when the President determines that in any locality there is an acute need for housing to assure the availability of dwellings for persons engaged in national-defense activities, dwellings in a project developed or assisted in said locality which are devoted to the purposes of providing housing for persons engaged in national-defense activities shall not be subject to sections 2 (1) and 2 (2) of the United States Housing Act of 1937, as amended, and during such period such projects shall be deemed projects of a low-rent character for the purposes of any of the applicable provisions in title I of said act.

"Sec. 205. The Authority may use for the purposes of this title any of the funds or authorizations heretofore or hereafter made available to it. The provisions of title I of this act shall not apply to this title."

The PRESIDING OFFICER. Without objection, the amendment is agreed to.

Mr. WALSH. Mr. President, in order to have the RECORD clear, I will say that the amendment just agreed to has never been submitted to the committee. It is offered on my own responsibility, in behalf of other Senators, including the Senator from New York [Mr. WAGNER], who is interested. The amendment is offered for consideration in conference.

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

Mr. WALSH. Mr. President, I think that completes the amendments. I wish to say only a word in addition.

The enactment of this legislation removes every barrier, every impediment the human mind can conceive of, so that our Navy and Army may proceed at once with speed and more speed to build up our national defense. The work of our committee has been directed toward what many Senators feel should be the general policy of Congress, namely, toward the Congress obtaining information in regard to important contracts and expenditures. All through the bill, thanks to the foresight and judgment of the distinguished members of our committee, there are provisions for reports to the Congress every 3 months on the agreement contracts, contracts not in competition, and other provisions seeking to keep the Congress informed as to the activities of the Navy.

I wish to take this occasion to compliment the distinguished members of the committee for the attention they have given this bill and for the long hours they have spent in trying to perfect a bill which would speed up the production of our defenses, and at the same time keep the Congress fully in-

formed as to the speed with which we are going, and as to the method and manner in which the operations permitted under the bill are carried out.

Mr. JOHNSON of California. Mr. President, will the Senator yield?

Mr. WALSH. I yield to the Senator from California.

Mr. JOHNSON of California. Mr. President, I wish to yield my small meed of praise to the chairman of the committee. He has been industrious, able, and painstaking for many, many weeks. We who have sat by his side and listened to his exposition of the various bills which have been before us know how to prize his assiduity. I think he deserves at the hands of the members of the committee this little statement of praise for the manner in which he has fulfilled his duties. He has conducted them in a judicial fashion. He has conducted them in such fashion that no one could question his fairness, his boldness, and his desire to see that the country is protected by these bills.

The bills were difficult measures which required earnest study. He has given to them everything that was in him, and when I say that I say that he has given to them more than any one of the rest of us would have given. I compliment him, sir, upon the way in which he has presided over the Naval Affairs Committee.

The PRESIDING OFFICER. If there be no further amendments to be offered, the question is on the engrossment of the amendments and the third reading of the bill.

Mr. HILL. Mr. President, I should like to have the attention of the chairman of the committee for a moment. My attention has been called to the amendment to be added as section 14 of the bill, providing that notwithstanding the provision of any other law, no military or naval weapon shall hereafter be transferred, exchanged, sold, or otherwise disposed of in any manner whatsoever, unless the Chief of Naval Operations, in the case of naval material, or the Chief of Staff of the Army, in the case of military material, shall first certify that such material is not essential, and so forth.

Then it goes on to say that the Secretary of War or the Secretary of the Navy, as the case may be, is requested and directed to furnish or cause to be furnished to the chairman of each committee on Naval Affairs of the Congress of the United States a copy of each contract, order, and so forth.

Am I to understand from that provision that the Committee on Military Affairs is entirely left out, and that even with reference to material of the War Department, a report is to be made to the chairman of the Naval Affairs Committee? Will the Senator explain?

Mr. WALSH. I will say to the Senator that it was the intention of the committee that it be informed as to the disposition of surplus property. There is now a law which permits the Navy Department to transfer to the Army any surplus property it may have. The reason for the amendment is to have the Chief of Naval Operations certify that the material is not essential to the national defense. We do not say in what manner he shall certify. He may do so privately. When this provision was originally drawn, it was intended to have him certify, and have no action taken until Congress acted. The provision was greatly modified.

The reason why the Army is brought into the matter is because the Army also disposes of surplus property. I do not think the amendment calls for more than the Navy Department to inform the chairman of the Senate and House Naval Affairs Committees about naval property. I certainly have no intention, and no one else has any intention, to have the Army report to the chairman of the Naval Affairs Committees.

Mr. HILL. I have no objection to the Naval Affairs Committee receiving all the information it may desire, but as I read the language of the amendment, it seems to me that as the amendment is now drafted the War Department is required to make a report to the Naval Affairs Committees of the Congress. I wondered if that was the intention of the chairman or the members of the Naval Affairs Committee.

Mr. JOHNSON of California. No; only those things of which the Navy Department has jurisdiction.

Mr. WALSH. Let me read the section. Let me say that the section was one of the last drawn. In fact, it is not completed. It was submitted to me since the debate began; but the intention and purpose of it I know and the committee knew:

The Secretary of War and the Secretary of the Navy, as the case may be, are hereby requested and directed to furnish or cause to be furnished to the chairman of each Committee on Naval Affairs of the Congress of the United States a copy of each contract, order, or agreement covering the exchange of deteriorated, unserviceable, obsolescent, or surplus military or naval equipment, munitions, or supplies exchanged for other military or naval equipment, munitions, or supplies; and a copy of each contract, order, or agreement shall be furnished regarding any other disposition of military or naval equipment, munitions, and supplies by which the title passes either de jure or de facto from the United States, or by which delivery of material thereunder is deferred, where the original cost of such military or naval equipment, munitions, or supplies exceeded or exceeds \$2,000. The copies of each contract, order, or agreement herein referred to shall be transmitted to the respective chairmen of the Committees on Naval Affairs not later than 24 hours after such contract, order, or agreement is made; and the chairman of each committee shall consider such contracts, orders, or agreements confidential unless a majority of the members of his committee shall direct the particular transaction to be made public.

I think—am I correct about this, Senators?—I think the law permitting the transfer of surplus to the Army applies only to the Navy. I do not think the law permits the Navy to take surplus property from the Army. Am I correct about that?

Mr. HILL. Will the Senator ask that question again?

Mr. WALSH. The general law permits or requires the transfer of surplus property from the Navy to the Army; but I do not think the law requires the Army to transfer any surplus property to the Navy.

Mr. CLARK of Missouri. Mr. President, will the Senator yield?

Mr. WALSH. I do.

Mr. CLARK of Missouri. As I understand the proposition, the reason why this provision was included is that certain property had been transferred from the Navy to the Army.

Mr. WALSH. That is correct.

Mr. CLARK of Missouri. And the Army proceeded to transfer it to somebody else, which the Naval Affairs Committee or the Senate thinks was not justified, which is the reason for this provision. I do not think there should be any suggestion on the part of anybody that the Naval Affairs Committee of the Senate should be permitted to interfere in the affairs of the War Department; but as far as the transfer of naval property is concerned I think they ought to be able to follow it through. It seems to me that this thing might be corrected by the transfer of words in the amendment.

Mr. WALSH. In the case of Army property, the chairmen of the House and Senate Committees on Military Affairs should be given the information.

Mr. CLARK of Missouri. That is correct.

Mr. WALSH. That is perfectly proper.

Mr. CLARK of Missouri. I think that meets the opinion of everyone.

Mr. WALSH. I want to repeat that the reason for action is that the law does not permit the Navy Department to dispose of any surplus. It requires the Navy to give it to the Army, and the Army disposes of it, and that is evidently what has led us to restrict the reform; but, if I may dictate an amendment now, I suggest that the words in section 14 (b), namely, "the chairman of each Committee on Naval Affairs of the Congress of the United States," be stricken out, and that the following words be inserted: "the respective chairmen of the Committees on Military Affairs and the Committee on Naval Affairs of the Senate and the House of Representatives."

Mr. CLARK of Missouri. Mr. President, will the Senator yield to me?

Mr. WALSH. Yes.

Mr. CLARK of Missouri. I think the Committee on Naval Affairs, which has shown so much initiative in this matter, ought to be permitted to follow its own material even after

it has been transferred to the War Department. I think when naval matériel has been transferred to the War Department the Committee on Naval Affairs ought to be notified whenever that matériel is declared obsolete and transferred out of the War Department.

Mr. WALSH. I am in accord with that.

Mr. CLARK of Missouri. I think both committees ought to be notified. That is my opinion about the matter.

Mr. WALSH. Let me say to the distinguished Senator, who is such an able member of the Committee on Military Affairs, that all through this bill we have sought to assist the Army, and when it came to labor legislation, where there are some differences between the Army bill and our bill, we provided that the President could adjust those differences.

It is rather regrettable that there were two separate bodies dealing with the labor problems, one in the arsenals of the country and another in the navy yards of the country.

Mr. HILL. Why not let these reports to the Secretary of War and the Secretary of the Navy go to both Military Affairs Committee and Naval Affairs Committee?

Mr. WALSH. There is no objection whatever to that.

Has the amendment been transcribed, or may it be agreed that an amendment shall be prepared similar to what I have proposed?

Mr. CLARK of Missouri. Mr. President, if the Senator will permit me, I should like to suggest that since the Secretary of the Treasury apparently is the dictator of national defense, any reports from him might go to the two committees also.

The PRESIDING OFFICER. Without objection, the amendment is reconsidered and the amendment to it is agreed to; and the amendment, as amended, is agreed to.

Mr. WALSH. Let us have an understanding that in the case of all surplus or other matériel which is transferred which belonged to the Army originally, and which the Army is disposing of, the chairmen of the House and Senate Committees on Military Affairs may be informed.

Mr. HILL. Both Military and Naval Affairs Committees of both Houses of Congress.

Mr. HALE. Mr. President, I should like to ask the Senator a question. We have been talking about section 14 (b). I think the Senate should understand what section 14 (a) does. I had understood that this provision was not to be put in the bill, and that subsection (b) was to take its place, though we did have a vote in the committee adopting this particular provision, and I then voted against it.

I will read section 14 (a):

Notwithstanding the provisions of any other law, no military or naval weapon, ship, boat, aircraft, munitions, supplies, or equipment to which the United States has title in whole or in part, or which have been contracted for, shall hereafter be transferred, exchanged, sold, or otherwise disposed of in any manner whatsoever unless the Chief of Naval Operations in the case of naval material, and the Chief of Staff of the Army in the case of military material, shall first certify that such material is not essential to and cannot be used in the defense of the United States.

I think the Senate should realize that if that provision is adopted, there is an end to supplying the Allies with any planes by deferring the contract deliveries, as we have been doing.

Mr. WALSH. The section which the Senator has read asks for nothing more or less than that the Chief of Naval Operations and the Chief of Staff of the Army shall certify that the material is not needed; that is all.

Mr. HALE. Oh, no; they certify that it is not essential, and cannot be used in the defense of the United States.

Mr. WALSH. Yes; that is required. What is the objection to that?

Mr. HALE. Under that provision, not a single plane could be transferred to the Allies.

Mr. CLARK of Missouri. That is all right.

Mr. WALSH. Does the Senator object to having retained in the American Navy and Army planes that the Chief of Naval Operations says we need for our defense?

Mr. HALE. I think it is more important at the present time to see that we help out the British in their fight by

supplying them with planes and matériel than anything else that we can do.

Mr. WALSH. The Senator has forgotten to read subsection (c). Does the Senator know what subsection (c) is?

Mr. HALE. I do.

Mr. WALSH. What is it?

Mr. HALE. Subsection (c) says:

Nothing herein shall be construed to repeal or modify section 3 of title B of the act approved June 15, 1917 (40 Stat. 222, U. S. C. title 18, secs. 33 and 36).

Mr. WALSH. What is that law? Does the Senator know what that law is? That is the law now on the statute books which forbids everything that is in subsection (a). All we have added by subsection (a) is that there must be a certification.

Subsection (c) is the law now, forbidding the arming of the vessels, and the law which has been invoked now to prevent the transfer of planes.

Mr. HALE. It does not apply to airplanes, it applies to ships only.

Mr. WALSH. That is true.

Mr. HALE. I think the Senate should know what it is doing when it enacts this legislation. If it is the will of the Senate, very well.

Mr. BARKLEY. Under the law which we enacted a few days ago it seems that the law already permitted the President or the Secretary of War to transfer back certain airplanes, engines and motor vehicles, and then we amended the law, or passed another law a few days ago, authorizing the transfer of other articles, if they are returned, receiving credit for them on new products when delivered. Does this provision conflict, inasmuch as it leaves it to the Chief of Staff and the Chief of Naval Operations of the Army and Navy, respectively, with those provisions of law which we passed a few days ago, and the law under which the President had returned these articles to be credited to the United States against the day when they would receive new ones? Is there any conflict between the provisions of this subsection and the law now on the statute books with respect to articles which have been in controversy here?

Mr. WALSH. It is my opinion that there is no change in the law now which permits modification and change and extension of time as to materials being contracted for. Do I answer the Senator's question?

Mr. BARKLEY. In part. If I understand the Senator, it does not interfere with the present authority to return the properties and get credit for them on new articles of the same type, or others which might be desired by the Government. Is that true?

Mr. WALSH. I am sorry, but I was distracted and did not hear the Senator's question.

Mr. BARKLEY. The language is pretty definite, and I am wondering whether it repeals the law under which the President had the authority to act as he did with reference to planes, and the amendment we put into the bill about a week or 10 days ago authorizing him to do the same thing with other property. It authorizes the Secretary of War and the Secretary of the Navy—and I believe probably the President—to return surplus or used articles to the factories and get credit for them, and, of course, leave the factories to do as they please with them. Whether this language is broad enough to interfere with what we have already authorized, even within the last week, I do not know.

Mr. WALSH. In my opinion, it does not have such an effect. Furthermore, the bill is going to conference, and it will have the careful scrutiny of the House conferees, as well as my own, when each section of the bill is being taken up for consideration. In my opinion, the amendment simply applies a restriction or requirement for the head of the military organization to say, "These are not needed for our defense."

Mr. BARKLEY. Of course, this is not limited to property on hand. It is broad enough to cover property and articles contracted for. The Senator will recall that under the act of 1936, I believe it was, the President made it possible for certain planes, engines, and motor vehicles to be returned to

the factories and the United States to receive credit. Then we passed another law permitting the same thing regarding other properties outside of motors and airplanes and their equipment.

Mr. WALSH. But there was a disposition and an intention to put in a proviso that the surplus property should be certified by the chiefs of the bureaus, that the property was not needed for national defense.

Mr. HILL. Mr. President, the distinguished chairman of the Committee on Naval Affairs I know has studied this language and is far more able to construe it or interpret its meaning than I am, but I cannot help feeling that the language would go further than to require certification either by the Chief of Staff or the Chief of Naval Operations, because it uses the words—

That such material is not essential to—

Listen to this—

and cannot be used for the defense of the United States.

Nearly anything could be used, as I construe it. That may be too literal a construction, but nearly anything might be used. Could one conceive of anything that could not be used? There might be an old musket that was very old, that was out of date, which might be classified not only as obsolete, but even as obsolescent. Yet would the Chief of Staff make certification to the fact that it could not be used? It would almost have to be so rusty or so broken or so worn that it could not be fired before any man could honestly certify that it could not be used.

Mr. WALSH. There is property now which from time to time is declared surplus. Does the Senator object to the requirement that that property be certified?

Mr. HILL. No; I think that is all right. In other words, what the Senator wishes to do is to put the direct responsibility on the highest officers in both the Army and the Navy, the Chief of Naval Operations and the Chief of Staff, to certify that the matériel is not essential to the national defense, but when we say "cannot be used," it seems to me we close the door entirely. That would apply to practically anything.

Mr. WALSH. I think the distinguished Senator has called attention to language which might well be stricken out as requiring too exacting a judgment.

I ask unanimous consent that the vote by which the amendment in section 14 (a) was agreed to be reconsidered, and that the words "and cannot be used in" be stricken out.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and the vote is reconsidered.

The question is on agreeing to the amendment of the Senator from Massachusetts to the amendment of the committee.

The amendment to the amendment was agreed to.

Mr. WALSH. When this amendment was first drafted, after the language the Senator from Alabama has just read there appeared the words "without the approval of Congress", and they were stricken from the amendment. In other words, it went so far as to require the consent of Congress, and that was stricken out, and I approved of it being stricken out, because I was content with the present law as it stands.

Mr. BARKLEY. Mr. President, I think the Senator's suggestion that the language "and cannot be used in" be stricken out, leaving it so that they will certify that it is not essential, provides a much more elastic term, and certainly improves the language.

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

The amendment as amended was agreed to.

Mr. WALSH. I give my word to both the Senator from Kentucky and the Senator from Alabama that in the scrutiny of this amendment in conference I shall give attention to the suggestion made by them, and I have no desire or purpose to go beyond the present law, but to have some certificate filed as to whether the property is surplus or not.

Mr. HILL. I thank the Senator.

The PRESIDENT pro tempore. The bill is open to further amendment. If there be no further amendment to be offered, the question is on the engrossment of the amendments and the third reading of the bill.

The amendments were ordered to be engrossed and the bill to be read a third time, was read the third time, and passed.

The title was amended so as to read: "An act to expedite national defense, and for other purposes."

Mr. WALSH. Mr. President, I move that the Senate insist upon its amendments, ask for a conference with the House of Representatives thereon, and that the conferees on the part of the Senate be appointed by the Chair.

The motion was agreed to; and the President pro tempore appointed Mr. WALSH, Mr. TYDINGS, and Mr. HALE conferees on the part of the Senate.

ALIEN REGISTRATION BILL OF 1940—CONFERENCE REPORT

Mr. CONNALLY submitted a conference report on House bill 5138, the alien registration bill, which was ordered to lie on the table.

REVENUE BILL OF 1940—CONFERENCE REPORT

Mr. HARRISON submitted a conference report on House bill 10039, the tax bill, which was ordered to lie on the table.

THE CALENDAR

Mr. BARKLEY. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of bills on the calendar to which there is no objection, beginning with Calendar No. 1800, which will mean beginning with measures which have been reported since the last call.

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

Mr. BARKLEY. Mr. President, I think we should have a quorum called so that other Senators may come in. I suggest the absence of a quorum.

The PRESIDENT pro tempore. The clerk will call the roll.

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

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

Mr. WILEY. I announce that the following Senators are absent, in attendance upon the funeral of the late Senator from Vermont, Mr. GIBSON: The Senator from Vermont [Mr. AUSTIN], the Senator from Texas [Mr. CONNALLY], the Senator from South Dakota [Mr. BULOW], the Senator from Nebraska [Mr. BURKE], the Senator from South Dakota [Mr. GURNEY], and the Senator from New Hampshire [Mr. TOBEY].

The PRESIDENT pro tempore. Eighty-four Senators having answered to their names, a quorum is present.

Mr. JOHNSON of California. Mr. President, before the first bill on the calendar is called, may I ask at which bill on the calendar it is proposed to begin?

The PRESIDENT pro tempore. It was agreed that the call of the calendar would begin at Calendar No. 1800.

Mr. JOHNSON of California. I ask that the call begin with Calendar No. 1790.

Mr. BARKLEY. Mr. President, I am perfectly willing to have the call of the calendar begin with Calendar No. 1790. That is a long way back.

The PRESIDENT pro tempore. The clerk will proceed to call the calendar, beginning with Calendar No. 1790.

WORK BETWEEN YUMA PROJECT AND BOULDER DAM

The bill (H. R. 7116) to authorize defraying cost of necessary work between the Yuma project and Boulder Dam, was announced as first in order.

Mr. KING. May I inquire of the Senator from California the cost, and who pays the cost? Is it an obligation on the Treasury of the United States; and if so, why?

Mr. JOHNSON of California. No; the district pays the cost.

This bill amends the act authorizing expenditure of Federal funds for protection of the Yuma reclamation project, river front, and levees. It authorizes expenditure of such funds for the protection of communities along the Colorado River from Yuma to Boulder Dam. It was introduced at the request of the Palo Verde irrigation district because one of the results of the control of the Colorado River by the construction of Boulder and Parker Dams has been temporarily at least, to occasion increased meandering of the river, due to the fact that the water is comparatively clear and needs a flatter grade for its bed than the muddy water which formerly flowed down the channel. Acute instances of this tendency have occurred, which has jeopardized the Palo Verde Valley. The Bureau of Reclamation is in accord with the principle that the United States should be in a position to do such emergency work as from time to time may be required for the protection of the river-front communities such as Palo Verde Valley.

Mr. KING. Mr. President, I have no objection, if the Senator from California states the obligation is to be paid by the District rather than out of the Treasury of the United States.

Mr. JOHNSON of California. I think so.

Mr. KING. As I understand the Senator his position is that it is not an obligation to be met by the Government?

Mr. JOHNSON of California. No.

The PRESIDENT pro tempore. Is there objection to the present consideration of the bill?

There being no objection, the bill (H. R. 7116) to authorize defraying the cost of necessary work between the Yuma project and Boulder Dam was considered, ordered to a third reading, read the third time and passed.

BILL PASSED OVER

The bill (S. 3426) to amend the Agricultural Adjustment Act as amended and as re-enacted by the Agricultural Marketing Act 1937, as amended, was announced as next in order.

Mr. GEORGE. I ask that the bill be passed over.

The PRESIDENT pro tempore. The bill will be passed over.

SETTLEMENT OF MONEY ACCOUNTS OF THE NATIONAL GUARD

The bill (S. 3497) to require the issuance by the General Accounting Office of a quarterly certificate of settlement of money accounts to United States property and disbursing officers of the National Guard of the several States, Territories, and the District of Columbia was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That a quarterly certificate of settlement of money accounts be issued by the General Accounting Office to United States property and disbursing officers of the National Guard of the several States, Territories, and the District of Columbia within a period not to exceed 3 years from the date of expiration of the quarter to which such certificate of settlement pertains, such certificate of settlement to be final and conclusive for such quarter, no further charges or debts to be raised after its issuance: *Provided,* That all unsettled, suspended, or disallowed items heretofore raised in the disbursing accounts of United States property and disbursing officers of the National Guard of the several States, Territories, and the District of Columbia at a date more than 3 years subsequent to the date of expiration of the quarterly accounts to which they pertain, be passed for credit by the General Accounting Office.

BILL PASSED OVER

The bill (H. R. 4097) to authorize the use of certain facilities of national parks and national monuments for school purposes was announced as next in order.

Mr. CLARK of Missouri. Mr. President, may we have an explanation? If not, I ask that the bill be passed over.

The PRESIDENT pro tempore. The bill will be passed over.

DEFINITION OF AGRICULTURAL COMMODITY

The bill (S. 3879) to amend section 15 (g) of the Agricultural Marketing Act, as amended, relating to the definition of agricultural commodity was announced as next in order.

Mr. KING. I ask for an explanation.

Mr. ELLENDER. The purpose of this bill is further to define "agricultural commodity" by adding to the present law the word "moss." Under the law as it is now on the statute books agricultural commodities are described as follows:

As used in this act, the term "agricultural commodity" includes, in addition to other agricultural commodities, crude gum (oleoresin) from a living tree, and the following products as processed by the original producer of the crude gum (oleoresin) from which derived; gum spirits of turpentine and gum resin, as defined in the Naval Stores Act approved March 3, 1923.

Mr. HATCH. What is the effect of adding this language? What is the purpose of it?

Mr. ELLENDER. The purpose of it is to permit the producers of Spanish moss to borrow from the Commodity Credit Corporation.

The PRESIDENT pro tempore. Is there objection to the present consideration of the bill?

There being no objection, the bill (S. 3879) to amend section 15 (g) of the Agricultural Marketing Act, as amended, relating to the definition of "agricultural commodity," was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That section 15 (g) of the Agricultural Marketing Act, as amended, relating to the definition of the term "agricultural commodity," is amended by inserting before the words "crude gum" where they first appear in such subsection the figure "(1)", and by inserting before the period at the end thereof a comma and the following: "(2) moss, including moss which has been through the first cleaning (ginning) process."

APPROPRIATION FOR CONSTRUCTION AT MILITARY POSTS

The bill (S. 3982) to authorize appropriations for construction at military posts, and for other purposes, was announced as next in order.

Mr. KING. Mr. President, may we have an explanation of the bill?

Mr. SHEPPARD. This measure covers authorization for a limited number of urgent construction projects at stations other than air corps which are immediately essential for the housing of the Army and for manufacturing arsenals and storage. The construction is of a permanent nature. Immediate authorization is required if the Army is to conduct a progressive building program. If this authorization is enacted, it will permit estimates to be submitted in appropriations for the fiscal year 1942.

In the Army appropriations for the fiscal year 1941, funds were included for the construction of an air base in the vicinity of Anchorage, Alaska. This base when established must be provided with a suitable ground garrison for its protection. It is estimated that this ground force will number approximately 3,000 officers and men comprising the necessary elements of all arms to protect the base against attack if necessary; to assist in the protection of naval bases in Aleutian Islands or on the Alaskan mainland.

Among the buildings to be constructed are barracks for enlisted men, quarters for officers, nurses, and enlisted men, hospital, central heating plant, maintenance shop, quartermaster warehouse and commissary quartermaster, telephone construction, railroad spur, bakery, laundry, garage, gun and motor sheds, motor repair shop, and gas and oil storage.

At Schofield Barracks the construction covers telephone building, quarters for noncommissioned officers, and an addition to the transformer. At Fort Shafter the construction covers quarters for noncommissioned officers. At Fort Clayton it covers quarters for officers and noncommissioned officers, stables, sheds, and garages and target range. At Corozal it covers quarters for officers and noncommissioned

officers and barracks for enlisted men, office building, fire and guard house, and dispensary. The miscellaneous stations in Panama construction provide for civilian quarters. In Puerto Rico, at Borinquen Field, construction is provided for quarters for officers, noncommissioned officers, motor transport, repair shop, warehouses and magazines; and at the Puerto Rican general depot provision is made for a radio transmitter building. At Aberdeen Proving Ground provision is made for an ordnance school shop. At the Atlanta general depot provision is made for quarters for officers, noncommissioned officers, garage, and repair shops, maintenance shop, storehouse, gas and oil storage, and a locomotive building section for reserve and warehouses. At Fort Belvoir, Va., provision is made for a mirror plant. At Fort Benning, Ga., provision is made for an office and classroom for the tank school, warehouse and workshop for the tank school, an addition to the hospital, quarters for nurses, barracks for the medical detachment, and a shop building. At Edgewood Arsenal, Md., provision is made for a whetlerite plant, a sulfur mono-chloride plant, and for two additional chemical plants.

Mr. President, I wish to make a statement concerning the item for Edgewood Arsenal, Md., because it brings into use a new word, applied to a new chemical. I wish merely to refer to it. Provision is made there for a whetlerite plant. That word does not appear in the dictionary. Whetlerite is the process whereby activated charcoal is coated with copper and other allied products in order to give it more absorbent capacity in the gas-mask canister.

At Fort Sam Houston, provision is made for an addition to the hospital, and for an office building. At Fort Knox, Ky., provision is made for an automobile shop and an artillery repair building. At Fort Lewis provision is made for an addition to the hospital and for nurses' quarters. At Fort Meyer, Va., provision is made for magazines and for a radio receiving station. At Fort Monroe, Va., provision is made for increasing the water supply. At Philadelphia Quartermaster Depot, Pa., provision is made for a warehouse. At Picatinny Arsenal, N. J., provision is made for magazines. At West Point provision is made for a laundry. At Fort Sill provision is made for an ordnance repair shop. At Fort Pickett provision is made for an ordnance repair shop. At Fort McPherson provision is made for an ordnance building. At Fort Story, Va., provision is made for a water tower.

The PRESIDENT pro tempore. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on Military Affairs, with amendments, on page 2, in the schedule for Hawaii, Schofield Barracks, to strike out "\$780,000" and insert "\$823,200"; in the schedule for continental United States, to strike out "Frankford Arsenal, Pa.—\$175,000"; in the item for Fort Benning, Ga., to strike out "\$1,280,500" and insert "\$1,320,500"; in the item for Fort Knox, Ky., to strike out "\$100,000" and insert "\$153,124"; and in the item for Picatinny Arsenal, to strike out "\$218,524" and insert "\$23,000", so as to make the bill read:

Be it enacted, etc., That there is hereby authorized to be appropriated not to exceed \$15,000,000 to be expended for the construction, rehabilitation, and installation at military posts of such buildings and utilities and appurtenances thereto as may be necessary, as follows:

Station and amount	
ALASKA	
Anchorage.....	\$6,379,225
HAWAII	
Schofield Barracks.....	823,200
Fort Shafter	90,000
PANAMA	
Fort Clayton	512,075
Corozal	1,071,300
Panama Canal Department.....	365,500
PUERTO RICO	
Borinquen Field	571,700
Puerto Rican General Depot.....	45,000

Station and amount—Continued

CONTINENTAL UNITED STATES

Aberdeen Proving Ground, Md.	\$210,000
Atlanta General Depot, Ga.	1,300,000
Edgewood Arsenal, Md.	432,476
Fort Belvoir, Va.	60,000
Fort Benning, Ga.	1,320,500
Fort Sam Houston, Tex.	277,200
Fort Knox, Ky.	153,124
Fort Lewis, Wash.	255,000
Fort McPherson, Ga.	65,000
Fort Myer, Va.	84,000
Fort Monroe, Va.	179,500
Fort Pickens, Fla.	48,200
Fort Sill, Okla.	96,000
Fort Story, Va.	25,000
Philadelphia Quartermaster Depot.	314,000
Picatinny Arsenal	23,000
West Point	299,000
Total	15,000,000

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, was read the third time, and passed.

LOANS FOR DEVELOPMENT OF STRATEGIC AND CRITICAL MINERALS

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 was announced as next in order.

Mr. CLARK of Missouri. Mr. President, I should like to hear an eloquent explanation of this bill from the Senator from Arizona [Mr. ASHURST].

Mr. ASHURST. Mr. President, this bill was reported from the Committee on Banking and Currency by the able Senator from Arkansas [Mr. MILLER]. The bill was introduced by the Senator from Montana [Mr. MURRAY] on behalf of himself and 10 other Senators.

At this juncture I defer to the able Senator from Arkansas [Mr. MILLER], who reported the bill from the Committee on Banking and Currency.

Mr. HATCH. Mr. President, I desire to ask the Senator from Arkansas if the Reconstruction Finance Corporation now has this power?

Mr. MILLER. The Reconstruction Finance Corporation does not have authority to make loans upon strategic and critical materials, except in accordance with the bill which we enacted 3 or 4 days ago. Under existing law the Reconstruction Finance Corporation is entitled to make a loan up to \$20,000 on gold, silver, tin, and some other minerals.

Mr. HATCH. That is the point. I happen to come from a mining State, and I wish to know why a limitation is put on the amount to be loaned.

Mr. MILLER. I can answer that question very easily. The present law limits loans on tin, silver, and gold to \$20,000. That is the reason why the limitation is made.

Mr. HATCH. Mr. President, I object to the consideration of the bill at this time.

The PRESIDENT pro tempore. Objection is heard. The bill will be passed over.

BILL PASSED OVER

The bill (S. 71) to repeal the act entitled "An act relating to Philippine currency reserves on deposit in the United States" was announced as next in order.

Mr. CLARK of Missouri. Let the bill go over.

The PRESIDENT pro tempore. The bill will be passed over.

CLEARING OF TITLE TO CERTAIN REAL ESTATE IN MICHIGAN

The joint resolution (H. J. Res. 517) to clear title to certain real estate was considered, ordered to a third reading, read the third time, and passed.

CHARLES E. MOLSTER

The bill (S. 3329) for the relief of Charles E. Molster, former disbursing clerk for the Department of Commerce and the National Recovery Administration; J. L. Summers, deceased, former chief disbursing clerk, Division of Disbursement, Treasury Department; and Guy F. Allen, chief disbursing

officer, Division of Disbursement, Treasury Department, was announced as next in order.

The PRESIDENT pro tempore. Calendar No. 1876, House bill 8414, is an identical bill. Is there objection to the substitution of the House bill for the Senate bill, and the present consideration of the House bill?

There being no objection, the bill (H. R. 8414) for the relief of Charles E. Molster, former disbursing clerk for the Department of Commerce and for National Recovery Administration was considered, ordered to a third reading, read the third time, and passed.

The PRESIDENT pro tempore. Without objection, Senate bill 3329 is indefinitely postponed.

ANTHONY BORSSELLINO

The bill (H. R. 6845) for the relief of Anthony Borsellino was considered, ordered to a third reading, read the third time, and passed.

JAMES H. HEARON

The Senate proceeded to consider the bill (S. 3710) for the relief of James H. Hearon, which had been reported from the Committee on Claims with an amendment, at the end of the bill to add a proviso, so as to make the bill read:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to James H. Hearon the sum of \$322.51 in full settlement of all claims arising out of his civilian hospital and medical treatment from August 27 to October 1, 1938, which treatment resulted from a disability incurred while Hearon was in an active-duty status with headquarters, One Hundred and Fifty-sixth Cavalry Brigade, San Antonio, Tex.: *Provided,* That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

LOUIS PUCCINELLI BAIL BOND CO.

The Senate proceeded to consider the bill (S. 3962) for the relief of the Louis Puccinelli Bail Bond Co., which had been reported from the Committee on Claims with amendments, on page 1, line 7, after the words "the sum of" to strike out "\$2,500. Such sum represents reimbursement for the loss", and to insert in lieu thereof "\$2,000 in full settlement of all claims against the United States"; and in line 10, after the words "United States of" to strike out "a like amount under", so as to make the bill read:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to the Louis Puccinelli Bail Bond Co., San Francisco, Calif., the sum of \$2,000, in full settlement of all claims against the United States sustained by such bonding company on account of the forfeiture to the United States of a bail bond executed by the Inland Bonding Co. and conditioned upon the delivery in court of one John Campagna, alias Giovanni Catalano. By reason of the nonappearance of the said John Campagna, alias Giovanni Catalano, such bail bond was declared forfeited in the southern division of the United States District Court for the Northern District of California on August 24, 1938. The amount of such bond was paid out of collateral deposited by the Puccinelli Bonding Co. Subsequently, through the efforts and at the considerable expense of the Puccinelli Bonding Co., the said John Campagna, alias Giovanni Catalano, was apprehended on October 11, 1939.

The amendments were agreed to.

Mr. CLARK of Missouri. Mr. President, may we have an explanation of the bill?

The PRESIDENT pro tempore. An explanation is requested.

Mr. JOHNSON of California. Mr. President, this is one of the infernal bail-bond bills. It has the approval of the Attorney General, and has passed the House with the amendment which the Attorney General suggested.

Mr. KING. Mr. President, what is the number?

The PRESIDENT pro tempore. Calendar 1815, Senate bill 3962.

Mr. CLARK of Missouri. Mr. President, I withdraw the request for an explanation.

The PRESIDENT pro tempore. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

GEORGE W. COON

The Senate proceeded to consider the bill (S. 3866) for the relief of George W. Coon, which had been reported from the Committee on Claims with an amendment, on page 2, at the beginning of line 4, to insert "alleged to have been", so as to make the bill read:

Be it enacted, etc., That the provisions and limitations of sections 15 to 20, both inclusive, of the act entitled "An act to provide compensation for employees of the United States suffering injuries while in the performance of their duties, and for other purposes," approved September 7, 1916, as amended and supplemented, are hereby waived in the case of George W. Coon, of Stidham, Okla.; and the United States Employees' Compensation Commission is authorized and directed to consider and act upon any claim filed with the Commission, within 1 year after the date of enactment of this act, by the said George W. Coon for compensation or other benefits under the provisions of such act of September 7, 1916, as amended and supplemented, for disability due to injuries alleged to have been sustained by him on or about July 25, 1938, in the performance of his duties as an employee of the Works Progress Administration.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

CHANDLER V. JENSEN

The Senate proceeded to consider the bill (S. 3143), for the relief of Chandler V. Jensen, which had been reported from the Committee on Claims with amendments, on page 1, line 3, after "15", to strike out "and" and to insert "to"; and in line 7, after "Chandler", to strike out "J.", so as to make the bill read:

Be it enacted, etc., That sections 15 to 20 inclusive, of the act entitled "An act to provide compensation for employees of the United States suffering injuries while in the performance of their duties, and for other purposes," approved September 7, 1916, as amended, are hereby waived in favor of Chandler V. Jensen, an employee of the United States Forest Service, Missoula, Mont., and the United States Compensation Commission is authorized and directed to consider and act upon any claim filed with the Commission, within 1 year after the date of the enactment of this act by said Chandler V. Jensen for compensation under the provisions of such act of September 7, 1916, as amended and supplemented, for compensation for disabilities due to an injury alleged to have been received by him on August 10, 1936, in the performance of his duties as forest ranger on the Deerlodge National Forest, Butte, Mont.

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

RAYMOND C. KNIGHT

The bill (H. R. 5930) for the relief of Raymond C. Knight was considered, ordered to a third reading, read the third time, and passed.

BILL PASSED OVER

The bill (H. R. 1857) for the relief of Nell Mullen, was announced as next in order.

Mr. KING. Let the bill go over.

The PRESIDENT pro tempore. The bill will be passed over.

ALBERT L. BARNHOLTZ

The bill (H. R. 3774) for the relief of Albert L. Barnholtz, was considered, ordered to a third reading, read the third time, and passed.

BOLINROSS CHEMICAL CO., INC.

The Senate proceeded to consider the bill (H. R. 8868) conferring jurisdiction upon the Court of Claims to hear, determine, and render judgment upon the claim of the Bolinross Chemical Co., Inc., which had been reported from the Committee on Claims with amendments, on page 1, line 7, after the words "from the" to strike out "alleged unlawful"; and on page 2, line 3, after the word "on" to insert "or about", so as to make the bill read:

Be it enacted, etc., That jurisdiction is hereby conferred upon the Court of Claims of the United States to hear, determine, and render

judgment upon the claim of the Bolinross Chemical Company, Inc., of Newark, N. J., for damages or losses resulting from the raid on its chemical plant at 12-22 Orange Street, Newark, N. J., including the alleged destruction of its machinery, equipment, raw materials, and finished products, and the loss of its business, by prohibition agents of the United States, on or about February 20, 1929.

SEC. 2. Suit upon such claim may be instituted at any time within 1 year after the enactment of this act, notwithstanding the lapse of time or any statute of limitations, and proceedings for the determination of such claim, appeals therefrom, and payment of any judgment thereon shall be in the same manner as in the cases over which such court has jurisdiction under section 145 of the Judicial Code, as amended.

The amendments were agreed to.

Mr. KING. Mr. President, I should like to inquire whether the bill has the approval of the department of the Government that would have to do with the matter.

The PRESIDENT pro tempore. The Senator from Utah asks for information in regard to the bill.

Mr. KING. Let the bill go over.

The PRESIDENT pro tempore. The bill will be passed over.

MAT HENSLEY, ARNOLD BLANTON, LILLIE PRICE, CLYDE THORPE, AND D. L. MASON

The bill (H. R. 5211) conferring jurisdiction upon the United States District Court for the Eastern District of Kentucky to hear, determine, and render judgment upon the claims of Mat Hensley, Arnold Blanton, Lillie Price, Clyde Thorpe, and D. L. Mason was considered, ordered to a third reading, read the third time, and passed.

NATHAN A. BUCK

The bill (H. R. 7959) for the relief of Nathan A. Buck was considered, ordered to a third reading, read the third time, and passed.

HANNAH S. BRAY, JANE BICKERS, AND FRANCIS BICKERS

The bill (H. R. 7861) conferring jurisdiction upon the Court of Claims to hear, determine, and render judgment upon the claims of Hannah S. Bray, Jane Bickers, and Francis Bickers was announced as next in order.

Mr. KING. Let us have an explanation of the bill.

The PRESIDENT pro tempore. Information is requested.

Mr. BROWN. This bill involves an accident in the State of Virginia near Charlottesville. It is about as serious a case as I have seen come before the Claims Committee. A Government C. C. C. truck struck a car containing some three or four persons, knocked them some 90 feet off the highway, and very seriously injured all the occupants of the car.

The War Department recommends the passage of the bill and concedes full liability on the part of the Government. The damages, in my judgment, which were fixed by the House of Representatives were very moderate in amount. I had charge of the bill, and I would have been willing to allow much larger damages than the House did, but I felt, under the circumstances, it would be best to let the House bill be passed.

Mr. KING. I do not wish to disagree with the Senator except that the War Department makes no recommendation.

Mr. BROWN. I differ with the Senator. The War Department recommended, instead of referring the matter to the Court of Claims, which was provided by the original bill, that it be amended so that Congress itself would fix the damages, because there was no question about the liability of the Government.

Mr. KING. I may be in error; I thought there was a negative recommendation.

The PRESIDENT pro tempore. Is there objection to the present consideration of the bill?

There being no objection, the bill was considered, ordered to a third reading, was read the third time, and passed.

The title was amended so as to read: "A bill for the relief of Hannah S. Bray, Jane Bickers, and Frances Bickers."

GREENLEE COUNTY BOARD OF SUPERVISORS

The Senate proceeded to consider the bill (S. 2997) for the relief of the Greenlee County Board of Supervisors, which had been reported from the Committee on Claims with amendments, on page 1, at the beginning of line 7, to strike out

"\$2,470.59" and insert "\$1,700", and at the end of the bill to add a proviso, so as to make the bill read:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to the Greenlee County Board of Supervisors at Clifton, Ariz., the sum of \$1,700 in full satisfaction of the claim of said board of supervisors against the United States arising out of damage to the Greenlee County fair grounds at Duncan, Ariz., caused by employees of the Soil Conservation Service between July 23, 1934, and March 25, 1939: *Provided,* That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000.

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

PHILIPPINE CURRENCY RESERVES ON DEPOSIT IN THE UNITED STATES

Mr. DANAHER. Mr. President, I ask unanimous consent to recur to Calendar No. 1810, Senate bill 71.

The PRESIDENT pro tempore. The title of the bill will be stated for the information of the Senate.

The CHIEF CLERK. A bill (S. 71) to repeal the act entitled "An act relating to Philippine currency reserves on deposit in the United States."

The PRESIDENT pro tempore. Is there objection to the present consideration of the bill?

Mr. KING. I understood that bill was passed.

Mr. DANAHER. No, there was objection; but the Senator who voiced objection has now withdrawn it and has authorized me so to state.

Mr. KING. I should like to have an explanation of the bill.

Mr. DANAHER. I will be happy to state what I know of it. It is a bill which was introduced by the Senator from Colorado [Mr. ADAMS]. I was on the subcommittee and rather extensive consideration was given to the bill.

In 1934 when the gold bill was passed the Commonwealth of the Philippine Islands had on deposit in some 51 banks the sum of \$23,000,000. Those deposits were all out at interest; they were not gold deposits. At the same time citizens of the United States had on deposit about \$40,000,000,000 in the same kind of banks, and somehow or other at some time or other in the dim, dark, distant past before I came here the Philippine Islands got through a bill that would authorize the Congress of the United States to appropriate \$23,000,000 to the Philippine Islands in payment in terms of gold of their claim because of their alleged deposits. Since the time the bill of authorization was first passed on the \$23,000,000 interest has accrued until today it approximates in the neighborhood of \$54,000,000. The bill authorizing the payment to the Philippine Islands in the sum of \$54,000,000 was passed about 4 or 5 years ago, but no appropriation has ever been made, and the bill never should have passed in the first place.

Now the Senator from Colorado has introduced this bill. It was acted on unanimously by the subcommittee of the Banking and Currency Committee and was reported unanimously by the Banking and Currency Committee. The bill reaches the calendar in that way. That is the explanation. It will repeal the original authorization.

Mr. KING. Does this bill grow out of the fact that we increased the value of gold from \$20 to \$35 an ounce?

Mr. DANAHER. That was the basis for the original act, but this bill does not grow out of it. This bill would repeal the original authorization.

Mr. KING. I have no objection.

The PRESIDENT pro tempore. Is there objection to the present consideration of the bill?

There being no objection, the bill was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the act entitled "An act relating to Philippine currency reserves on deposit in the United States" approved June 19, 1934, is hereby repealed.

STATUS OF CERTAIN NATIVES AND INHABITANTS OF VIRGIN ISLANDS

The Senate proceeded to consider the bill (S. 3582) relating to the status of certain natives and inhabitants of the Virgin Islands, which had been reported from the Committee on Territories and Insular Affairs with amendments, in section 1, page 2, line 4, after the word "on", to strike out "July" and insert "January"; in section 2, line 8, after "Sec.", to strike out "204b" and insert "204a"; in line 9, after the word "operative", to insert "as to natives residing in any foreign country on the effective date of this act"; and in line 10, after the numeral "2", to insert "(8 U. S. C., sec. 204b)", so as to make the bill read:

Be it enacted, etc., Subdivision (e) is hereby added to section 1 of the act entitled "An act to confer United States citizenship upon certain inhabitants of the Virgin Islands and to extend the naturalization laws thereto," approved February 25, 1927 (44 Stat. 1234; 8 U. S. C., sec. 5b), as amended, to read as follows:

"(e) All natives of the Virgin Islands of the United States who on the effective date of this subdivision (e) are residing in the continental United States or any Territory or insular possession of the United States and who are not citizens or subjects of any foreign country, regardless of their place of residence on January 17, 1917."

Sec. 2. Section 1 of an act entitled "An act relating to the immigration and naturalization of certain natives of the Virgin Islands," approved June 28, 1932 (47 Stat. 336; 8 U. S. C., sec. 204a), is hereby revised and made fully operative as to natives residing in any foreign country on the effective date of this act, and section 2 (8 U. S. C., sec. 204b) of the act cited is hereby repealed.

Sec. 3. Section 2 of the act entitled "An act to confer United States citizenship upon certain inhabitants of the Virgin Islands and to extend the naturalization laws thereto," approved February 25, 1927 (44 Stat. 1234; 8 U. S. C., sec. 377a), is hereby amended to read as follows:

"Sec. 2 All natives of the Virgin Islands of the United States who have been or are admitted to the continental United States or to any Territory of the United States, the Virgin Islands of the United States, or Puerto Rico as nonquota immigrants and who are not citizens or subjects of any foreign country, if not ineligible to citizenship, may upon petition and upon full and complete compliance with all other provisions of the naturalization laws be naturalized without making a declaration of intention."

Sec. 4. Clauses (1), (2), and (3) of subsection (a) of section 1 of the act entitled "An act to supplement the naturalization laws, and for other purposes," approved March 2, 1929 (45 Stat. 1512; 8 U. S. C., sec. 106a), as amended, are hereby amended to read as follows:

"(1) Entered the United States prior to July 1, 1924, and has resided in the United States continuously since such entry; or

"(2) Entered the Virgin Islands of the United States prior to July 1, 1938, and has resided in such islands continuously since such entry; and

"(3) Is not subject to deportation, but this clause shall not relate to admissibility at time of entry into the Virgin Islands of the United States."

Sec. 5. The first sentence of subsection (b) of section 1 of the act entitled "An act to supplement the naturalization laws, and for other purposes," approved March 2, 1929 (45 Stat. 1512; 8 U. S. C., sec. 106a), as amended, is hereby amended to read—

"For each such record of registry made as herein authorized the alien shall pay to the Commissioner of Immigration and Naturalization a fee of \$10, unless he entered the Virgin Islands of the United States prior to July 1, 1938, and has resided continuously in the islands since such entry."

The amendments were agreed to.

Mr. WILEY. Mr. President, may we have an explanation, please?

The PRESIDENT pro tempore. The Senator from Wisconsin asks for an explanation of the bill.

Mr. MEAD. Mr. President, the purpose of this measure is to clarify the law, relieve hardship in a number of cases, and remove many administrative difficulties in connection with the status of certain natives and inhabitants of the Virgin Islands. Both the Secretary of Labor and the Secretary of the Interior favorably recommend this bill.

Section 1 applies to a first class of natives of the Virgin Islands, namely, those now residing in the United States, its Territories, or possessions, but not residents in the United States or the Virgin Islands as of January 17, 1917, nor in the United States or its Territories as of June 28, 1932. These were not made citizens of the United States under acts of February 25, 1927, or June 28, 1932; they have no citizenship at all. Section 1 makes them United States citizens.

Section 2 applies to a second class of natives, namely, those who now reside outside the United States, its Territories, and possessions and did not reside in the United States or the Virgin Islands January 17, 1917, or in the United States or

its Territories June 28, 1932. These were not made citizens by those statutes. They are not citizens of any country. Section 2 permits their entry into the United States, its Territories, or possessions as nonquota immigrants who can be naturalized without filing declaration of intention.

Section 3 provides that all natives entering as nonquota immigrants may be naturalized simply by petition and full compliance with all other provisions of naturalization laws.

Section 4 applies to a third class of Virgin Island inhabitants, namely, aliens who have entered islands before or since acquisition by United States, without any record of entry and also have remained there. United States immigration laws have only recently (July 1, 1938) been efficiently applied to Virgin Islands.

Section 4 extends provisions of Registration Act of March 2, 1929, to all persons who entered Virgin Islands before July 1, 1938, and have continuously resided there since then.

Section 5 exempts such aliens from the \$10 registry fee prescribed by the above act—which otherwise would be a considerable hardship because of their small earnings. Furthermore, these inhabitants took up residence there without reason to believe they had to comply with immigration laws.

The PRESIDENT pro tempore. The question is on the third reading and passage of the bill.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

LOAN FOR DEVELOPMENT OF DEPOSITS OF STRATEGIC AND CRITICAL MINERALS

Mr. HATCH. Mr. President, when Calendar No. 1808, Senate bill 4008, relating to loans by the Reconstruction Finance Corporation for the development of deposits of strategic and critical minerals was called, I made objection. It was a bill with which I was not familiar. Since I made the objection I have conferred with the Senator from Arizona [Mr. ASHURST], the Senator from Utah [Mr. THOMAS], the Senator from Montana [Mr. MURRAY], and others. I find that the bill does not do that which I thought it did at the time I made the objection. It is a meritorious bill and should be passed. For that reason I withdraw my objection and ask to recur to the bill and that it be considered.

The PRESIDENT pro tempore. Is there objection?

There being no objection, the Senate proceeded to consider 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 minerals, and to authorize the Reconstruction Finance Corporation to make more adequate loans for mineral-development purposes, which had been reported from the Committee on Banking and Currency with an amendment on page 2, line 12, after the word "critical", to strike out "mineral, or other metallic or nonmetallic mineral" and insert "mineral which in the opinion of the Reconstruction Finance Corporation would be of value to the United States in time of war", so as to make the bill read:

Be it enacted, etc., That section 14 of the act entitled "An act relating to direct loans for industrial purposes by Federal Reserve banks, and for other purposes," approved June 19, 1934, as amended, is amended to read as follows:

"Sec. 14. The Reconstruction Finance Corporation is authorized and empowered to make loans upon sufficient security to recognized and established corporations, individuals, and partnerships engaged in the business of mining, milling, or smelting ores. The Reconstruction Finance Corporation is authorized and empowered also to make loans to corporations, individuals, and partnerships engaged in the development of a quartz ledge, or vein, or other ore body, or placer deposit, containing gold, silver, or tin, or gold and silver, or any strategic or critical mineral, which in the opinion of the Reconstruction Finance Corporation would be of value to the United States in time of war, when, in the opinion of the Reconstruction Finance Corporation, there is sufficient reason to believe that, through the use of such loan in the development of a lode, ledge, or vein, or mineral deposit, or placer gravel deposit, there will be developed a sufficient quantity of ore, or placer deposits of a sufficient value to pay a profit upon mining operations: *Provided*, That not to exceed \$20,000 shall be loaned to any corporation, individual, or partnership for such development purposes; except that not in excess of \$40,000 in the aggregate may be loaned to any corporation, individual, or partnership for such purposes, if such

corporation, individual, or partnership has expended funds previously obtained from the Reconstruction Finance Corporation for such purposes in such manner as to justify an additional loan for such purposes: *Provided further*, That there shall not be allocated or made available for such development loans a sum in excess of \$10,000,000."

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

The title was amended so as to read: "A bill to authorize the Reconstruction Finance Corporation to make loans for the development of deposits of strategic and critical minerals which in the opinion of the Corporation would be of value to the United States in time of war, and to authorize the Reconstruction Finance Corporation to make more adequate loans for mineral developmental purposes."

Mr. ASHURST. Mr. President, before we pass from Senate bill 4008, I should like to say that I would be lost to grace if I did not say that our thanks are also due to the able Senator from Oregon [Mr. McNARY] for the gracious and helpful cooperation he has given in securing the passage of this bill. That much ought to be said; more than that need not be said. I also thank the Senator from New Mexico [Mr. HATCH] for his assistance. Of course, I include him.

BILLS PASSED OVER

The bill (S. 2001) for the relief of the Choctaw and Chickasaw Tribes of Indians of Oklahoma was announced as next in order.

Mr. KING. Let that bill go over.

The PRESIDENT pro tempore. The bill will be passed over.

The bill (S. 4070) to provide for more uniform coverage of certain persons employed in coal-mining operations with respect to insurance benefits provided for by certain Federal acts, and for other purposes, was announced as next in order.

Mr. REED. I ask that that bill go over.

The PRESIDENT pro tempore. The bill will be passed over.

LEASING OF CERTAIN INDIAN LANDS

The Senate proceeded to consider the bill (S. 253) to authorize the leasing of certain Indian lands subject to the approval of the Secretary of the Interior which had been reported from the Committee on Indian Affairs with amendments in line 5, after the word "lease", to insert "by the Indians"; in line 8, after the word "years", to strike out "; and an option for a renewal of the lease for an additional term not exceeding 25 years may be included therein" and in lieu thereof to insert: "*Provided, however*, That such leases may provide for renewals for an additional term not exceeding 25 years, and the Secretary of the Interior is hereby authorized to prescribe such rules and regulations as may be necessary to carry out the provisions of this act", so as to make the bill read:

Be it enacted, etc., That notwithstanding any other provision of law, any Indian lands on the Port Madison and Snohomish or Tulalip Indian Reservations in the State of Washington, may be leased by the Indians with the approval of the Secretary of the Interior, and upon such terms and conditions as he may prescribe, for a term not exceeding 25 years: *Provided, however*, That such leases may provide for renewal for an additional term not exceeding 25 years, and the Secretary of the Interior is hereby authorized to prescribe such rules and regulations as may be necessary to carry out the provisions of this act.

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

BILL PASSED OVER

The bill (S. 3975) granting to certain claimants the preference right to purchase certain public lands in the State of Florida was announced as next in order.

Mr. REED. Let the bill go over.

The PRESIDENT pro tempore. The bill will be passed over.

METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA

The Senate proceeded to consider the bill (H. R. 6831) to authorize the Secretary of the Interior to lease certain of

the public lands to the Metropolitan Water District of Southern California for the extraction of sodium chloride for water-conditioning purposes, which had been reported from the Committee on Public Lands and Surveys, with amendments.

Mr. KING. Mr. President, I should like an explanation of the bill.

The PRESIDENT pro tempore. An explanation is desired.

Mr. JOHNSON of California. Mr. President, the only thing the bill does is to permit the Metropolitan Water District to lease a small quantity of land from the Interior Department.

The Senator had better listen to my explanation. It is a very important one, and he called for it. [Laughter.]

Mr. KING. Does the bill call for a cession of public lands to the State of California?

Mr. JOHNSON of California. Yes.

Mr. KING. How much?

Mr. JOHNSON of California. It calls for the right to lease a small part, and on that small part there is a mineral which enables them to use it in clearing the water of the Colorado River.

Mr. KING. I have no objection.

The PRESIDENT pro tempore. The amendments of the committee will be stated.

The amendments were, on page 2, line 3, after the word "sodium" to insert "solely", and in line 4 to strike out "purposes," and insert "purposes: *Provided*, That nothing in this act shall be construed to empower the said district to produce sodium chloride or any other valuable deposit in said lands for commercial purposes.", so as to make the bill read:

Be it enacted, etc., That the Secretary of the Interior is hereby authorized, pursuant to the provisions of the act entitled "An act to promote the mining of coal, phosphate, oil, oil shale, gas, and sodium on the public domain," approved February 25, 1920 (41 Stat. 437), as amended, and notwithstanding any limitations contained therein with respect to the leasing of public mineral lands to municipalities, to lease to the Metropolitan Water District of Southern California public lands containing deposits of sodium solely for the extraction therefrom of sodium chloride for water-conditioning purposes: *Provided*, That nothing in this act shall be construed to empower the said district to produce sodium chloride or any other valuable deposit in said lands for commercial purposes. The use of such lands may be acquired by the said district either through the filing and issuance of prospecting permits or leases or through the assignment to it by qualified holders of such permits or leases.

Sec. 2. The leases authorized by section 1 shall be granted upon the condition that if such lands or deposits are used for purposes other than as authorized by this act, or upon the exhaustion of the deposits of sodium chloride in such lands, the permits or leases may be canceled by the Secretary of the Interior.

The amendments were agreed to.

The amendments were ordered to be engrossed, and the bill to be read a third time, read the third time and passed.

ISSUANCE OF PATENTS FOR LANDS HELD UNDER COLOR OF TITLE

The Senate proceeded to consider the bill (H. R. 7736) authorizing the Secretary of the Interior to issue patents for lands held under color of title, which had been reported from the Committee on Public Lands and Surveys, with an amendment.

Mr. CLARK of Missouri. May we have an explanation of the bill?

The PRESIDENT pro tempore. An explanation is requested.

Mr. BROWN. Mr. President, this bill involves a tract of land in Monroe County, Mich., the title to which originally came from the French Government in Montreal. It has been possessed for over 100 years by the family who now claims it. This bill will confirm title in them upon the payment of \$1.25 an acre to the Government. The bill has passed the House and is a very just bill.

The PRESIDENT pro tempore. The amendment reported by the Committee will be stated.

The amendment was, on page 1, line 5, after the word "in", to insert "Monroe County in", so as to make the bill read:

Be it enacted, etc., That if within 5 years after passage of this act it shall be shown to the satisfaction of the Secretary of the Interior that a tract or tracts of public land in Monroe County in the State of Michigan, not exceeding in the aggregate 160 acres, has or have been held in good faith and in peaceable, adverse pos-

session by a citizen of the United States, his ancestors or grantors, for more than 20 years prior to the approval of this act under claim or color of title, and that improvements have been placed on such land or some part thereof has been reduced to cultivation, the Secretary shall, upon the payment of \$1.25 per acre, cause a patent or patents to issue for such land to any such citizen: *Provided*, That the term "citizen", as used herein, shall be held to include a corporation organized under the laws of the United States or any State or Territory thereof.

The amendment was agreed to.

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

AMENDMENT OF CAPE HATTERAS NATIONAL SEASHORE ACT

The Senate proceeded to consider the bill (H. R. 9274) to amend the act entitled "An act to provide for the establishment of the Cape Hatteras National Seashore in the State of North Carolina, and for other purposes", approved August 17, 1937 (50 Stat. 669).

Mr. CLARK of Missouri. Mr. President, may we have an explanation of the bill?

Mr. HATCH. Mr. President, the chairman of the Committee on Public Lands and Surveys is absent from the floor at this time, attending a meeting of the Appropriations Committee. The bill merely changes the name of the Cape Hatteras National Seashore, as I understand. The purpose is fully set forth in the report. The passage of the bill is urged in a letter addressed by the Secretary of the Interior to the chairman of the Committee on Public Lands in the House of Representatives.

The bill was ordered to a third reading, read the third time, and passed.

SIUSLAW NATIONAL FOREST, OREG.

The Senate proceeded to consider the bill (S. 1433) to add certain lands to the Siuslaw National Forest in the State of Oregon, which had been reported from the Committee on Public Lands and Surveys with amendments, on page 2, line 3, after the word "lands", to insert "acquired under the act of March 1, 1911 (36 Stat. 961), as amended", and at the end of the bill to insert a proviso, so as to make the bill read:

Be it enacted, etc., That all lands conveyed or relinquished to the United States, under the provisions of the National Industrial Recovery Act, approved June 16, 1933 (48 Stat. 195), the Emergency Relief Appropriation Act, approved April 8, 1935 (49 Stat. 115), or the Bankhead-Jones Farm Tenant Act, approved July 22, 1937 (50 Stat. 522), within the western Oregon land project, situated in Lane, Lincoln, Tillamook, and Yamhill Counties, Oreg., are hereby added to and made parts of the Siuslaw National Forest, Oreg., and shall hereafter be subject to the rules and regulations applicable to national-forest lands acquired under the act of March 1, 1911 (36 Stat. 961), as amended, but special provisions included in conveyance of title to the United States, valid and subsisting at the date of this act and thereafter legally maintained, shall not be affected by this act: *Provided*, That this act shall not affect any reversioned Oregon and California railroad grant land, title to which has not passed out of the United States, or any public-domain land which is not embraced in relinquishments purchased under the acts hereinbefore mentioned.

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

GRAND COULEE DAM AND RESERVOIR

The bill (S. 3766) for the acquisition of Indian lands for the Grand Coulee Dam and Reservoir, and for other purposes, was announced as next in order.

Mr. REED. Let the bill go over.

Mr. THOMAS of Oklahoma. Mr. President, this bill is the same as House bill 9445, which I ask to have substituted for the Senate bill.

The PRESIDENT pro tempore. Without objection, the House bill will be substituted for the Senate bill.

The Senate proceeded to consider the bill (H. R. 9445) for the acquisition of Indian lands for the Grand Coulee Dam and Reservoir, and for other purposes.

Mr. THOMAS of Oklahoma. Mr. President, someone objected to the consideration of the bill. If the Senator who objected will withhold the objection for just a moment, I should like to explain the bill.

The Government is building the Grand Coulee Dam. The reservoir site embraces in part the town site of Klaxta. It is

necessary to purchase the land, especially that part of the land which is to be covered with water. The money to cover the cost is taken from the funds appropriated for reservoir purposes. The money is to be paid to the Indian agencies, and in turn to be paid to the individual Indians.

That is the whole import of the bill.

The PRESIDENT pro tempore. Is there objection to the present consideration of the bill?

There being no objection, the bill was considered, ordered to a third reading, read the third time, and passed.

The PRESIDENT pro tempore. Without objection, Senate bill 3766 will be indefinitely postponed.

BILL PASSED OVER

The bill (S. 3920) to amend the Railroad Unemployment Insurance Act, approved June 25, 1938, as amended June 20, 1939, and for other purposes, was announced as next in order.

Mr. WHITE. Let the bill go over.

The PRESIDENT pro tempore. The bill will be passed over.

FURNISHING OF STEAM FROM CENTRAL HEATING PLANT TO NATIONAL ACADEMY OF SCIENCES

The bill (H. R. 8076) to authorize the furnishing of steam from the Central Heating Plant to the National Academy of Sciences, and for other purposes, was considered, ordered to a third reading, read the third time, and passed.

FRANCO-AMERICAN CONSTRUCTION CO.

The Senate proceeded to consider the bill (S. 3437) for the relief of the Franco-American Construction Co., which had been reported from the Committee on Claims with amendments, on page 1, line 6, after the words "sum of" to strike out "\$14,492.27" and insert "\$4,258.60" and at the end of the bill to insert a proviso, so as to make the bill read:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to the Franco-American Construction Co. the sum of \$4,258.60 in full settlement of its claims against the United States growing out of a certain contract it had with the Government of the United States for the construction of an extension to the power-plant building No. 41, at the navy yard, New York, N. Y., together with certain incidental work in connection therewith: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000.

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

ISOBELL SHANKS

The bill (H. R. 6548) for the relief of Isobell Shanks was considered, ordered to a third reading, read the third time, and passed.

PENNSYLVANIA STATE COLLEGE

The bill (H. R. 6553) for the relief of the Pennsylvania State College was considered, ordered to a third reading, read the third time, and passed.

CHARLES H. UPTON

The bill (H. R. 6598) for the relief of Charles H. Upton was considered, ordered to a third reading, read the third time, and passed.

THOMAS BOYD

The bill (H. R. 6967) for the relief of Thomas Boyd was considered, ordered to a third reading, read the third time, and passed.

J. MONTROSE EDREHI

The bill (H. R. 7608) for the relief of J. Montrose Edrehi was considered, ordered to a third reading, read the third time, and passed.

MARY D. BRIGGS AND SIMEON G. RIGOR

The bill (H. R. 7858) for the relief of Mary D. Briggs and Simeon G. Rigor was considered, ordered to a third reading, read the third time, and passed.

GERALDINE ASH

The bill (H. R. 2901) conferring jurisdiction upon the United States District Court for the Middle District of Georgia to hear, determine, and render judgment upon the claim of Geraldine Ash was considered, ordered to a third reading, read the third time, and passed.

S. T. ENLOE

The bill (H. R. 2354) for the relief of S. T. Enloe was considered, ordered to a third reading, read the third time, and passed.

WILBUR P. AND JOSEPHINE RIDDLESBARGER

The bill (H. R. 6095) for the relief of Wilbur P. Riddlebarger and Josephine Riddlebarger was considered, ordered to a third reading, read the third time, and passed.

PHILIP A. PENSTON

The bill (S. 4032) to provide for the reimbursement of Philip A. Penston, pharmacist's mate, first class, United States Coast Guard, for the value of personal and household effects lost and destroyed during the hurricane of September 21, 1938, at New London, Conn., was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Philip A. Penston, pharmacist's mate, first class, United States Coast Guard, the sum of \$1,267 in full satisfaction of his claim against the United States for the loss and destruction of his personal and household effects in the hurricane at New London, Conn., on September 21, 1938; it appearing that Philip A. Penston, having been transferred from Coast Guard headquarters to duty aboard the Coast Guard cutter *Mojave* at Miami, Fla., had pursuant to his orders and prior to such hurricane delivered his personal and household effects to a Coast Guard contractor for packing, crating, and shipment to Miami, that he had no control over such effects at the time of their loss and destruction, and that a Coast Guard board of investigation found that the amount appropriated by this act is reasonable and just: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000.

H. S. WAYMAN

The bill (H. R. 3964) for the relief of H. S. Wayman was considered, ordered to a third reading, read the third time, and passed.

MARY CAMASTRO, A MINOR

The bill (H. R. 4801) for the relief of Mary Camastro, a minor, was considered, ordered to a third reading, read the third time, and passed.

DON E. HICKS

The bill (H. R. 5464) for the relief of Don E. Hicks was considered, ordered to a third reading, read the third time, and passed.

MINNIE LOWERY AND WINELL LOWERY

The bill (H. R. 5571) for the relief of Minnie Lowery and Winell Lowery was considered, ordered to a third reading, read the third time, and passed.

SOLOMON BROWN

The Senate proceeded to consider the bill (H. R. 5303) for the relief of Solomon Brown, which had been reported from the Committee on Claims with amendments, on page 1, line 6, after the words "sum of", to strike out "\$1,000" and insert "\$50 per month in a sum not to exceed \$1,000", and in line 7, after the word "such", to strike out "sum" and insert "sums", so as to make the bill read:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Solomon Brown, Walterboro, S. C., the sum of \$50 per month in a sum not to exceed \$1,000. Such sums shall be in full settlement of all claims against the United States arising out of the permanent disability sustained by the said Solomon Brown due to the amputation of his right hand, necessitated by severe injuries to such hand received on October 22, 1932, while the said Solomon Brown was at work in the laundry of the United States Penitentiary at Atlanta, Ga.: *Provided*, That no

part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000.

The amendments were agreed to.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

THOMAS M. BARNES

The Senate proceeded to consider the bill (S. 3539) for the relief of Thomas M. Barnes, which was read, as follows:

Be it enacted, etc., That in the administration of any laws conferring rights, privileges, or benefits upon honorably discharged soldiers Thomas M. Barnes shall be held and considered to have been honorably discharged as a private, Company I, Eighth Regiment United States Infantry, as of May 12, 1915: *Provided,* That no bounty, back pay, pension, or allowance shall be held to have accrued prior to the passage of this act.

Mr. KING. Mr. President, there is an adverse report by the War Department on this bill.

Mr. SHEPPARD. Mr. President, will the Senator withhold his objection? I feel it incumbent on me to state to the Senator the reasons for the favorable report of the bill by the Senate Military Affairs Committee, although the War Department reaction was unfavorable.

Barnes, the beneficiary of this bill, died some years ago. A few months ago his aged mother came into the committee room, feeble even beyond her years, and in a trembling voice stated that she wanted the injustice remedied which had been done her son. It seemed that he was charged with the theft of one shirt valued at \$2.46, and was brought before a court martial and sentenced to serve 1 year at hard labor at Alcatraz, and was dishonorably discharged. He served another enlistment after that discharge and after that imprisonment, and from that enlistment he was honorably discharged. While it is true that larceny cannot be tolerated or go unpunished, no matter what the value of the stolen article, it does seem that the offense committed did not warrant the punishment awarded by the court.

Mr. KING. Mr. President, the Senator recognizes the fact that Secretary Woodring makes the following statement:

So far as this Department is able to ascertain there is no justification for the legislation, and no merit in the claim.

The War Department strongly recommends against the favorable consideration of S. 3539.

Mr. SHEPPARD. It is a question of "the letter killing and the spirit giving life." If the Senator had heard the appeal of that aged mother, I feel sure he would let this bill pass.

Mr. CLARK of Missouri. Mr. President—

Mr. KING. I will take a vote of the Senate on the matter.

Mr. SHEPPARD. I shall ask for a vote.

Mr. CLARK of Missouri. Mr. President, will the Senator yield?

Mr. SHEPPARD. Yes.

Mr. CLARK of Missouri. I wish it were as easy to get the letter of resignation of the Secretary of War into the RECORD of the Senate as it is to get into it the letter to which the Senator from Utah has just referred.

I will say that I do not believe a soldier who would not steal a shirt would be a good soldier. [Laughter.]

The PRESIDING OFFICER (Mr. CHANDLER in the chair.) The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

DISPOSITION OF ESTATES OF CITIZENS DYING ABROAD

The Senate proceeded to consider the bill (S. 4097) to provide for the disposition of estates of American citizens who die abroad, which was read as follows:

Be it enacted, etc., That sections 1709 and 1711 of the Revised Statutes, as amended (U. S. C., title 22, secs. 75 and 77), are hereby amended to read as follows:

"1709. It shall be the duty of a consular officer, or if no consular officer is present a diplomatic officer, under such procedural regulations as the Secretary of State may prescribe—

"First. To take possession and to dispose of the personal estate left by any citizen of the United States, except a seaman who is a member of the crew of an American vessel, who shall die within or is domiciled at time of death within his jurisdiction: *Provided,* That such procedure is authorized by treaty provisions or permitted by the laws or authorities of the country wherein the death occurs, or the decedent is domiciled, or that such privilege is accorded by established usage: *Provided further,* That the decedent shall leave in the country where the death occurred or where he was domiciled, no legal representative, partner in trade, or trustee by him appointed to take care of his personal estate. A consular officer or, in his absence, a diplomatic officer shall act as the provisional conservator of the personal property within his jurisdiction of a deceased citizen of the United States but, unless authorized by treaty provisions, local law, or usage, he shall not act as administrator of such personal property. He shall render assistance in guarding, collecting, and transmitting the property to the United States to be disposed of according to the law of the decedent's domicile.

"Second. After having taken possession of the personal property, as provisional conservator, to inventory and carefully appraise the effects, article by article, with the assistance of two competent persons who, together with such officer, shall sign the inventory and annex thereto an appropriate certificate as to the accuracy of the appraised value of each article.

"Third. To collect the debts due to the decedent in his jurisdiction and pay from the estate the obligations owed there by the decedent.

"Fourth. To sell at auction, after reasonable public notice, unless the amount involved does not justify such expenditure, such part of the estate as shall be of a perishable nature, and such further part, if any, as shall be necessary for the payment of the decedent's debts incurred in such country, and funeral expenses, and expenses incident to the disposition of the estate. If, at the expiration of 1 year from the date of death (or for such additional period as may be required for final settlement of the estate), no claimant shall appear, the residue of the estate, with the exception of investments of bonds, shares of stocks, notes of indebtedness, jewelry or heirlooms or other articles having a sentimental value, shall be sold.

"Fifth. To transmit to the General Accounting Office the proceeds of the sale (and any unsold effects, such as investments of bonds, shares of stocks, notes of indebtedness, jewelry or heirlooms or other articles having a sentimental value), there to be held in trust for the legal claimant. If, however, at any time prior to such transmission, the decedent's legal representative should appear and demand the proceeds and effects in the officer's hands, he shall deliver them to such representative after having collected the prescribed fee therefor.

"The Comptroller General of the United States, or such member of the General Accounting Office as he may duly empower to act as his representative for the purpose, shall act as conservator of such parts of these estates as may be received by the General Accounting Office or are in its possession, and may, when deemed to be in the interest of the estate, sell such effects, including bonds, shares of stock, notes of indebtedness, jewelry or other articles, which have heretofore or may hereafter be so received, and pay the expenses of such sale out of the proceeds: *Provided,* That application for such effects shall not have been made by the legal claimant within 6 years after their receipt. The Comptroller General is authorized, for and in behalf of the estate of the deceased, to receive any balances due to such estates, to draw therefor on banks, safe deposits, trust or loan companies, or other like institutions, to endorse all checks, bills of exchange, promissory notes, and other evidences of indebtedness due to such estates, and take such other action as may be deemed necessary for the conservation of such estates. The net proceeds of such sales, together with such other moneys as may be collected by him, shall be deposited into the Treasury to a fund in trust for the legal claimant and reported to the Secretary of State.

"If no claim to the effects the proceeds of which have been so deposited shall have been received from a legal claimant of the deceased within 6 years from the date of the receipt of the effects by the General Accounting Office, the funds so deposited, with any remaining unsold effects, less transmittal charges, shall be transmitted by that Office to the proper officer of the State or Territory of the last domicile in the United States of the deceased citizen, if known, or, if not, such funds shall be covered into the general fund of the Treasury as miscellaneous receipts on account of proceeds of deceased citizens, and any such remaining unsold effects shall be disposed of by the General Accounting Office in such manner as, in the judgment of the Comptroller General, is deemed appropriate, or they may be destroyed if considered no longer possessed of any value: *Provided,* That when the estate shall be valued in excess of \$500, and no claim therefor has been presented to the General Accounting Office by a legal claimant within the period specified in this paragraph or the legal claimant is unknown, before disposition of the estate as provided herein, notice shall be given by publishing once a week for 4 consecutive weeks in a newspaper published in the county of the last-known domicile of the deceased, in the United States, the expense thereof to be deducted from the proceeds of such estate, and any lawful claim received as the result

of such advertisement shall be adjusted and settled as provided for herein."

"1711. When a citizen of the United States dies in a foreign country and leaves, by any lawful testamentary disposition, special directions for the custody and management, by the consular officer, or in his absence a diplomatic officer, within whose jurisdiction the death occurred, of the personal property in the foreign country which he possessed at the time of death, such officer shall, so far as the laws of the foreign country permit, strictly observe such directions if not contrary to the laws of the United States. If such citizen has named, by any lawful testamentary disposition, any other person than a consular officer or diplomatic officer to take charge of and manage such property, it shall be the duty of the officer, whenever required by the person so named, to give his official aid in whatever way may be practicable to facilitate the proceedings of such person in the lawful execution of his trust, and so far as the laws of the country or treaty provisions permit, to protect the property of the deceased from any interference by the authorities of the country where such citizen died. To this end it shall be the duty of the consular officer, or if no consular officer is present a diplomatic officer, to safeguard the decedent's property by placing thereon his official seal and to break and remove such seal only upon the request of the person designated by the deceased to take charge of and manage his property."

Mr. McNARY. Mr. President, I would like to have an explanation of the bill.

Mr. PITTMAN. Mr. President, this is an amendment of a law which has been on the books for many years. It is provided that consuls may take charge of the estates of citizens who die abroad until administrators or executors may be duly qualified. The amendment is to the effect that, in addition to consular officers, diplomatic officers may have the same power. There are many places where consuls are not located, but where diplomatic officers may be.

There is another amendment of the law to the effect that the funds shall go into the hands of the Comptroller General when finally returned to the United States, and the Comptroller General will turn them over to the State Department after notice as to the heirs. If heirs turn up who reside in some State, the estate is turned over to the State where the deceased lived. If there are no heirs, then the estate is turned over to the State of the deceased citizen. If it cannot be ascertained where his State citizenship was, the estate is then turned over to the Treasury of the United States.

The PRESIDING OFFICER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

EXCHANGE OF LAND ADJACENT TO SAN JUAN AND RIO GRANDE NATIONAL FORESTS, COLO.

The Senate proceeded to consider the bill (H. R. 8356) for the exchange of lands adjacent to the San Juan National Forest and the Rio Grande National Forest in Colorado, which was read, as follows:

Be it enacted, etc., That the provisions of the act of March 20, 1922 (42 Stat. L. 465; U. S. C., title 16, sec. 485), entitled "An act to consolidate national-forest lands", and the provisions of the act of February 28, 1925 (43 Stat. L., p. 1090; U. S. C., title 16, sec. 486), entitled "An act to amend an act entitled 'An act to consolidate national-forest lands'", and acts amendatory thereto, are hereby extended to include any suitable offered lands within the boundaries of that portion of the former Mexican grant known as the Tierra Amarilla Grant, lying within the State of Colorado, adjacent to the Rio Grande or San Juan National Forests. Lands conveyed to the United States under this act shall, upon acceptance of title, become parts of the national forest nearest to which they are situated, and shall thereafter be subject to the laws, rules, and regulations applicable to said national forest.

Mr. CLARK of Missouri. Mr. President, I should like to have an explanation of the bill.

Mr. HATCH. Mr. President, this is a bill which relates solely to lands within the State of Colorado, lands formerly a part of the Tierra Amarilla grant, part of which is in a national forest. There are within claims by settlers to lands within the national forest. On the outside of the forest the Government is making claims to lands owned by the settlers. These disputes have been more or less friendly, and the parties have all agreed that they can be worked out and adjusted by an exchange of lands without any appropriation. That is the purpose of the bill, to authorize the exchange. It calls for no appropriation from the Treasury whatsoever,

Mr. CLARK of Missouri. I should like very much to hear from the junior Senator from Colorado [Mr. JOHNSON], who is on the floor, as to whether he is for or against the bill.

Mr. JOHNSON of Colorado. I am for it.

Mr. HATCH. I had not noticed the Senator from Colorado present. My only reason for making the explanation was that I am a member of the Committee on Public Lands and Surveys, and the chairman of the committee, who is the senior Senator from Colorado [Mr. ADAMS], requested that someone explain the bill during his absence in the Committee on Appropriations. I should be very happy to have the Senator from Colorado make the explanation.

Mr. JOHNSON of Colorado. The Senator from New Mexico has stated the situation. Naturally we are all in favor of the bill.

The PRESIDING OFFICER. The question is on the third reading of the bill.

The bill was ordered to a third reading, read the third time, and passed.

ATTENDANCE OF MARINE BAND AT G. A. R. CONVENTION

The bill (H. R. 9296) to authorize the attendance of the Marine Band at the convention of the Grand Army of the Republic to be held at Springfield, Ill., September 8 to 13, inclusive, 1940, was considered, ordered to a third reading, read the third time, and passed.

THEODORE R. TROENDLE FOR THE DAWSON SPRINGS CONSTRUCTION CO.

The bill (S. 4037) conferring jurisdiction upon the United States District Court for the Western District of Kentucky to hear, determine, and render judgment upon the claim of Theodore R. Troendle for the Dawson Springs Construction Co. was announced as next in order.

Mr. REED. Let the bill go over.

Mr. BARKLEY. Mr. President, will not the Senator withhold his objection?

Mr. REED. I withhold it.

Mr. BARKLEY. This is a claim growing out of the construction of the veterans' hospital at Dawson Springs, Ky., by Theodore Troendle, who is now quite an old man. The late Senator Logan introduced a bill for the payment of the claim. The Committee on Claims did not feel that it was in a position to pass on the merits of the claim, and I introduced this bill merely to allow this old gentleman to bring suit in the United States District Court to establish his claim if he can. I hope the Senator will not object, because this old gentleman is quite aged, and unless he can establish his claim and get payment within a few years, it will do him no good. I hope the Senator will permit the bill to go through.

Mr. REED. Mr. President, this is a request of Congress to waive the lapse of time and the running of the statute of limitations. Once we begin that sort of thing in relation to lawsuits, I do not know where we are going to end.

Mr. BARKLEY. It is not done often. This involves a controversy which has been running for a good many years between this gentleman and the General Accounting Office and the Veterans' Administration. It seems to me that there is nothing that can be lost by allowing him to present his case in court. If he cannot establish it, he certainly will not recover. In addition to his age, the difficulty of bringing witnesses to Washington is apparent to everyone.

I hope the Senator will not object to the bill. We have passed other bills permitting citizens to bring suits to establish their claims. I am not passing on the merits of the claim, but the right a person has to present his case certainly should not be questioned.

Mr. REED. The distinguished Senator from Kentucky is so persuasive that I withdraw my objection.

There being no objection, the Senate proceeded to consider the bill, which was ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That jurisdiction is hereby conferred upon the United States District Court for the Western District of Kentucky, notwithstanding the lapse of time or the statute of limitations, to hear, determine, and render judgment upon the claim of Theodore R. Troendle, for the Dawson Springs Construction Co., of Dawson Springs, Ky., for losses or damages arising out of a

contract dated February 2, 1920, for the construction of eight buildings for the United States Public Health Service Sanatorium at Dawson Springs, Ky.: *Provided, however*, That from any decision or judgment rendered in any suit presented under the authority of this act a writ of certiorari to the Supreme Court of the United States may be applied for by either party thereto, as is provided by law in other cases.

M. SELLER & CO.

The Senate proceeded to consider the bill (S. 2171) for the relief of M. Seller & Co., which had been reported from the Committee on Claims with an amendment, to strike out all after the enacting clause and to insert the following:

That the Secretary of the Treasury be, and he is hereby, authorized and directed to refund to M. Seller & Co., Portland, Oreg., certain penalties in the amount of \$5,210.36, paid to the collectors of customs at Portland, Oreg., and Seattle, Wash., on April 28, 1927. Said penalties were incurred under the customs laws in the entry of certain merchandise from Germany at a less value than that returned upon final appraisement, such entry having been made without any intention to defraud the revenues of the United States or to conceal or misrepresent the facts of the case or to deceive the appraiser as to the value of the merchandise: *Provided*, That no part of the amount refunded in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

R. BRINSKELLE AND CHARLIE MELCHER

The Senate proceeded to consider the bill (S. 2880) conferring jurisdiction upon the Court of Claims to hear, determine, and render judgment on the claim of R. Brinskelle and Charlie Melcher, which had been reported from the Committee on Claims with an amendment, to strike out all after the enacting clause and to insert the following:

That jurisdiction is hereby conferred upon the United States Court of Claims to hear, determine, and render judgment on the claim of R. Brinskelle and Charlie Melcher for damages for loss of a fishing cabin located on Warrior River, Jefferson County, Ala., on or about March 6, 1937, because of fire allegedly caused by negligence of Government employees in connection with clearing operations along the banks of the Warrior River and its tributaries.

Sec. 2. Suit upon such claim may be instituted at any time within 1 year after enactment of this act and proceedings for the determination of such claim, appeals therefrom, and payment of any judgment thereon shall be in the same manner as in the cases over which such court has jurisdiction under section 145 of the Judicial Code, as amended.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

RALPH C. HARDY

The Senate proceeded to consider the bill (S. 3003) for the relief of Ralph C. Hardy, which had been reported from the Committee on Claims with an amendment, to strike out all after the enacting clause and to insert the following:

That the claims of the United States against Ralph C. Hardy, formerly a traffic rate examiner, National Bituminous Coal Commission, in the amount of \$328.75; against William W. Addis, formerly a traffic rate examiner, National Bituminous Coal Commission, in the amount \$328.75; against E. F. Goudelock, formerly a traffic rate examiner, National Bituminous Coal Commission, in the amount of \$271.90; against J. T. Polk, formerly a traffic rate examiner, National Bituminous Coal Commission, in the amount of \$328.75; and against C. H. Seaman, formerly a traffic rate examiner, National Bituminous Coal Commission, in the amount of \$328.75, resulting from the fact that payments of per diem and other nonpersonal expenses to each of the above-named persons authorized by the National Bituminous Coal Commission in accordance with the terms of his employment were subsequently disallowed by the General Accounting Office, are hereby canceled; and the Comptroller General of the United States is hereby directed to allow credit in the accounts of the disbursing officer for the payments so made.

Sec. 2. That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to the said William W. Addis the sum of \$328.75, to the said Ralph C. Hardy the sum of \$125, to the said J. T. Polk the sum of \$328.75, and to the said C. H. Seaman the sum of \$328.75, which sums have heretofore been paid to the United States by such persons in partial or complete liquidation of the respective claims of the United States against such persons canceled by section 1 of this act, or have been deducted by the

United States when making payment of other claims of said persons against the United States.

Sec. 3. No part of the amount provided for in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000.

Mr. KING. Let the bill go over.

Mr. GUFFEY. Mr. President, I introduced this bill originally for the Interior Department. The subcommittee presided over by the Senator from Wyoming [Mr. SCHWARTZ] held hearings and suggested certain amendments, and I think the bill before the Senate is very just, and the claim should be allowed. I am sorry the Senator from Wyoming is not present to explain the bill in detail. I hope the Senator will withdraw his objection.

Mr. KING. My recollection is, from the record, that there was an adverse report by the department having the matter in charge.

Mr. GUFFEY. There was not an adverse report. They asked me to introduce the bill.

The PRESIDING OFFICER. Is there objection?

Mr. KING. I have no objection.

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

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

The title was amended so as to read: "A bill for the relief of Ralph C. Hardy, William W. Addis, C. H. Seaman, R. J. Polk, and E. F. Goudelock."

RANK AND TITLE OF LIEUTENANT GENERAL OF THE REGULAR ARMY

The bill (H. R. 7611) to provide for the rank and title of lieutenant general of the Regular Army, was announced as next in order.

Mr. CLARK of Missouri and Mr. REED asked that the bill go over.

Mr. SHEPPARD. Mr. President, may I briefly explain the measure?

The PRESIDING OFFICER. Will the Senators withhold their objection?

Mr. CLARK of Missouri. I withhold my objection, but I will renew it at the conclusion of the statement of the Senator from Texas.

Mr. SHEPPARD. Very well.

Mr. CLARK of Missouri. I withhold my objection, if the Senator wishes to make a statement.

Mr. BARKLEY. Mr. President, it seems that if notice is served in advance that objection is to be made afterward, we might go on with the calendar.

Mr. CLARK of Missouri. Mr. President, I shall be very glad to hear the Senator from Texas. I withhold my objection.

The PRESIDING OFFICER. Objection is heard in other places.

REGISTRATION AND REGULATION OF INVESTMENT COMPANIES

The bill (S. 4108) to provide for the registration and regulation of investment companies and investment advisers, and for other purposes, was announced as next in order.

Mr. REED and Mr. WILEY asked that the bill go over.

Mr. WAGNER. Mr. President, I should like to make an appeal to the Senators who might object to the bill.

The PRESIDING OFFICER. Will the Senators who objected withhold their objection?

Mr. REED. Mr. President, a bill of this length and importance should not be passed on the Unanimous Consent Calendar.

Mr. WAGNER. Would the Senator withhold his objection so that I may make a brief statement to him?

Mr. REED. I should be very happy to do that, but I shall renew my objection when the Senator concludes his explanation.

Mr. WAGNER. Let me say—

The PRESIDING OFFICER. The Chair would like to say to the Senator from New York that the Senator from Wisconsin also objected.

Mr. WAGNER. Will the Senator from Wisconsin withhold his objection?

Mr. WILEY. I shall be happy to hear the explanation.

Mr. WAGNER. The S. E. C. made an investigation of investment trusts and investment companies, which covered a period of 4 years. After that, legislation was prepared and introduced by me. The Committee on Banking and Currency held hearings for a period of 4 weeks during which the S. E. C. and the industry were heard.

At the conclusion of the hearings the Committee on Banking and Currency suggested to the industry affected and to the S. E. C. that they get together and see if we could not agree upon legislation, by the modern method of cooperation between industry and Government. The better elements of the industry recognized that abuses had existed because of nonregulation, and for their own protection they desired to have their industry regulated.

As the result of conferences covering a period of 3 weeks, they came before our committee and not only agreed upon a bill but urged the committee to pass a bill for the benefit of the industry. We have an opportunity here to render a service to an industry that seeks to be regulated, so as to restore the public confidence that has been impaired in the operation of investment trusts.

They have been here now for months and they think there is a great opportunity in proper regulation for attracting capital in our recovery and defense program. The provisions of the bill are intended to prevent in the future the abuses which were disclosed, not only before our committee but before the Security and Exchange Commission during its investigation. I am pleading for the industry now. A number of individual Senators have also asked, in the interest of the industry and for the protection of investors, that the Congress pass this conservative piece of legislation.

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

Mr. WAGNER. I yield.

Mr. LODGE. It so happens that the investment-trust business is one which very largely had its origin in Boston, and I happen to know a great many people connected with this industry. I think it is true that there have been some unfortunate happenings during the past decade which required some kind of regulatory action, and that the more responsible and more conscientious elements in the industry were anxious to see those steps taken.

This bill, as the Senator from New York has said, was agreed upon after very painstaking and careful study, in which really almost a miracle occurred, in that all the various elements in the industry were able to get together and organize themselves, and present a common basis for studying the question, and as the result of that effort an agreement which is embodied in this bill was reached between those engaged in the industry and the members of the S. E. C. I submit that that is a very unusual and a very beneficial occurrence—not only beneficial for those who were engaged in the industry, but I think very beneficial to the public, who, after all, are those who stand to gain the most by having this type of activity properly regulated.

I appreciate that it is somewhat unusual, perhaps, to seek to pass a bill of this length at a time like this, but in view of the very special circumstances, and in view of the fact that so much good can flow from the bill, I certainly would be most appreciative if Senators would withdraw their objections.

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

Mr. WAGNER. I yield.

Mr. MILLER. I wish to ask the Senator from New York if it is not a fact that all who testified on the original bill that was introduced, raising objections to the passage of not only the first bill but the second bill introduced, not only have withdrawn their objections but are now urging the passage of this bill?

Mr. WAGNER. Exactly.

Mr. MILLER. All the witnesses who testified—and the question was gone into thoroughly—now appear as proponents of the bill.

Mr. CLARK of Missouri. Mr. President, I was an advocate of the bill which created the Securities and Exchange Commission. I have been an advocate of most of their activities. Is it not a fact that they have themselves adopted certain rules which would fall within the purview of the so-called Logan-Walter bill?

Mr. WAGNER. There may be some criticism that may be perfectly justified with respect to other laws. But in this legislation I may say to the Senator that not only do the witnesses who appeared before us in opposition to the original bill now support this compromise measure but also it has the unanimous support, as the Senator from Massachusetts has said, of the entire industry. It is almost a miracle. I have never known it to happen in my experience as a legislator that the industry affected has sought such regulation. There was not a dissenting voice heard from the entire industry affected against the passage of this legislation.

Mr. REED. I ask that the bill be passed over.

Mr. CLARK of Missouri. Over.

The PRESIDING OFFICER. Objection is heard.

Mr. WILEY. My only reason for objecting was the importance of the legislation, and the extensiveness of the bill. Personally, after the assurances given, I should be glad to withdraw my objection.

The PRESIDING OFFICER. Objection is heard.

Mr. WAGNER. I hope that there may not be an objection to my desire to perfect the bill which is now pending by offering an amendment to it, which may lie on the table. I offer the following amendment to the bill—

The PRESIDING OFFICER. Is there objection?

Mr. CLARK of Missouri. A parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. CLARK of Missouri. To what bill is the Senator offering an amendment?

Mr. WAGNER. I am asking that I may offer an amendment to the proposed legislation, and then, after the amendment is agreed to, if it shall be agreed to, I shall ask that the bill remain upon the calendar.

The PRESIDING OFFICER. Is there objection to the amendment being considered?

Mr. REED. I am not going to object to the offering of the amendment, but I think that justifies the objection I made to a bill of this length, when within 3 minutes after the objection was made an amendment was offered to the bill.

The PRESIDING OFFICER. Objection is heard.

MOUNT OF VICTORY PLOT, CYPRESS HILLS CEMETERY, BROOKLYN, N. Y.

The bill (H. R. 8258) for the marking, care, and maintenance of the Mount of Victory plot in the Cypress Hills Cemetery, in Brooklyn, N. Y., was considered, ordered to a third reading, read the third time, and passed.

FORT MIFFLIN MILITARY RESERVATION, PA.

The bill (S. 3926) to authorize the Secretary of War to provide a license for the construction of a pile dolphin and walkway at Fort Mifflin Military Reservation, and for other purposes was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Secretary of War be, and he is hereby, authorized and empowered, under such terms and conditions as are deemed advisable by him, to grant to the Atlantic Refining Co., its successors and/or assigns, a license to construct and maintain a pile dolphin and walkway thereto in the Delaware River at the Fort Mifflin Military Reservation, in the State of Pennsylvania: *Provided,* That such license shall be granted only upon a finding by the Secretary of War that the same will be in the public interest and will not substantially injure the interest of the United States in the property affected thereby: *Provided further,* That all or any part of such license may be annulled and forfeited by the Secretary of War if the property is needed for governmental purposes or for failure to comply with the terms or conditions of any grant hereunder, or for nonuse or for abandonment of rights granted under authority hereof.

ORDER OF BUSINESS

Mr. DANAHER. Mr. President, I seize the interim while the clerk is looking for the next bill to call attention to the

fact that it is now 10:20 o'clock p. m., and some of us have been here since 8 o'clock, and all day long.

Mr. CLARK of Missouri. Regular order.

The PRESIDING OFFICER. The regular order has been called for.

Mr. DANAHER. A parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. DANAHER. The parliamentary inquiry is directed to the Chair to ascertain whether or not there is pending a motion to adjourn, or would such a motion be in order?

Mr. BARKLEY. I wish to say to the Senator that no such motion is pending. I intend to keep the Senate in session but a few more minutes. I hope we can run on until 10:30.

Mr. DANAHER. I thank the Senator.

The PRESIDING OFFICER. The Chair will say to the Senator from Connecticut that a motion to adjourn is in order, and can be made by the Senator at any time.

Mr. DANAHER. I thank the Chair for his courtesy. I appreciate it.

BILL PASSED OVER

The bill (H. R. 8124) to provide funds for cooperation with public-school districts in Mahanomen, Minn., was announced as next in order.

Mr. KING. I ask that the bill be passed over.

The PRESIDING OFFICER. The bill will be passed over.

CHARGES FOR ELECTRIC ENERGY GENERATED AT BOULDER DAM

The bill (S. 4039) authorizing the Secretary of the Interior to promulgate and put into effect charges for electrical energy generated at Boulder Dam was announced as next in order.

Mr. PITTMAN. Mr. President, I think that bill requires a brief explanation. The title would hardly indicate what it means. The bill arises by reason of the fact that in 1928, after 5 years of debate, we adopted the Boulder Canyon Act. It was quite indefinite in many particulars at that time. In fact, it was an experiment. It is now found necessary to adjust the act so that the rates may be reduced.

Under the act there could be no change in rates until 1945. There may be reductions in costs now which would justify reductions in rates. Seven States were interested in this matter. Four or five power companies were interested in it, and the United States Government was interested in it. For 2 years the Governors of the seven States, through commissions, have met with the Secretary of the Interior and with the representatives of the users of the power in an attempt to obtain an adjustment by which certain matters could be definitely settled. There were matters of uncertainty with regard to how much money should go out of surplus earnings to the upper States and how much should go to various States. A higher rate of interest was being charged on the amortization payments than on the new Government hydroelectric project. Instead of allocating so much for flood control or navigation, \$25,000,000 was allocated to flood control, but the interest was required to be paid out of power earnings. It was an impossible situation.

Mr. REED. Mr. President, would the bill cost the Government anything?

Mr. PITTMAN. It would not, but it would make the payments more sure. House bill 9877 is identical with Senate bill 4039.

The PRESIDING OFFICER. Is there objection to the substitution of the House bill for the Senate bill and the present consideration of the House bill?

There being no objection, the Senate proceeded to consider the bill (H. R. 9877) authorizing the Secretary of the Interior to promulgate and to put into effect charges for electrical energy generated at Boulder Dam.

Mr. PITTMAN. Mr. President, the House and Senate bills are identical. After several weeks of hearings, one change was made by the Senate committee. To make the House bill conform to the Senate bill, I think that amendment should be adopted.

Mr. CHAVEZ. Mr. President, the House bill is identical with the Senate bill, but the Senate committee unanimously adopted three minor amendments, one on page 6, in line 24; another on page 7, in line 3; and a third on page 7, in line 12.

Mr. O'MAHONEY. Mr. President, what is the purpose of the change?

Mr. CHAVEZ. The purpose of the change is only to have each of the upper-basin States receive an equal share of whatever we might be able to save from California, Arizona, and Nevada.

Mr. O'MAHONEY. Does it have any effect upon the allocation of funds?

Mr. CHAVEZ. It will have no effect whatsoever on the allocation of funds.

Mr. O'MAHONEY. In other words, if the project is not feasible, the division of the funds equally among the States will not have the result of piling up a huge fund for a State which cannot use it.

Mr. CHAVEZ. The feasibility of any particular project will have to be passed upon by the Reclamation Bureau anyway.

Mr. O'MAHONEY. No project may be adopted until it is cleared by the Bureau of Reclamation as feasible?

Mr. CHAVEZ. That is correct.

Mr. President, I offer as amendments to the House bill certain amendments which the Senate committee has made to the identical Senate bill.

The PRESIDING OFFICER. The amendments offered by the Senator from New Mexico will be stated.

The CHIEF CLERK. On page 6, line 24, after the word "and", it is proposed to strike out the word "equitably" and insert the word "equally"; on page 7, line 3, after the word "and", it is proposed to strike out "equitably" and insert "equally"; and on page 7, in line 1, after the word "plan" and the period, it is proposed to insert: "Any moneys accruing for projects in New Mexico and appropriated pursuant to the authorizations contained in this subsection shall be available for (1) the completion by the Bureau of Reclamation of a survey of the Transmountain diversion project on the San Juan River in the State of New Mexico, and (2) for the construction of such project; and such project shall be designed so as adequately to protect the present and prospective uses of water in the State of Colorado and in San Juan County, N. Mex., including those of the Navajo Tribe of Indians, and, after providing for such needs, any water from such project remaining available for use shall be used as the State of New Mexico may determine."

Mr. O'MAHONEY. Mr. President, may I say a word in regard to the amendment on page 7, line 11? I have the text before me. After the word "project" the first time it occurs in line 18 on page 7, would the Senator object to the insertion of the words "in conformity with the Federal Reclamation law?"

Mr. CHAVEZ. I think that point is covered by the amendment which has been offered. The amendment reads as follows:

Any moneys accruing for projects in New Mexico and appropriated pursuant to the authorizations contained in this subsection shall be available for (1) the completion by the Bureau of Reclamation of a survey of the Transmountain diversion project on the San Juan River in the State of New Mexico, and (2) for the construction of such project; and such project shall be designed so as adequately to protect the present and prospective uses of water in the State of Colorado and in San Juan County, N. Mex., including those of the Navajo Tribe of Indians, and, after providing for such needs, any water from such project remaining available for use shall be used as the State of New Mexico may determine.

Hence the Reclamation Bureau will have the decision as to whether or not any particular project in New Mexico would be feasible.

Mr. O'MAHONEY. Mr. President, that amendment merely gives the Bureau the right and the duty of making a survey, and clause (2) provides for the construction of such project. I merely desire to add, after the word "project," the phrase "in conformity with the Federal reclamation law." I will say to the Senator that the reason I make the suggestion is because the Bureau of Reclamation seems to be under the impression that it is not clear from this language that the construction would be in accordance with the Federal reclamation law. It is not certain, in other words, whether

or not the fund would be reimbursable. I am sure the Senator feels that that is the intention, and that that is what ought to be done. Furthermore, there is the question of whether or not such a project would be feasible.

Mr. CHAVEZ. That is not the information I have from the Reclamation Bureau. If we had a copy of the hearings on this particular project the Senator could see that the Reclamation Bureau is entirely satisfied.

Mr. O'MAHONEY. I was merely asking the question.

Mr. PITTMAN. Mr. President, I suggest that the Senate committee amendment with regard to labor is already in the House bill.

Mr. CHAVEZ. So far as New Mexico is concerned, we want the power to decide, rather than some Government bureau.

The PRESIDING OFFICER. The question is on agreeing to the amendments offered by the Senator from New Mexico [Mr. CHAVEZ].

The amendments were agreed to.

The amendments were ordered to be engrossed, and the bill to be read a third time.

The bill was read the third time, and passed.

The PRESIDING OFFICER. Without objection, Senate bill 4039 is indefinitely postponed.

ADDITIONAL REPORTS OF COMMITTEES

Mr. SHEPPARD, from the Committee on Military Affairs, to which was referred the bill (S. 4107) to transfer the jurisdiction of the Arlington Farm, Va., to the jurisdiction of the War Department and the Department of the Interior, and for other purposes, reported it without amendment and submitted a report (No. 1933) thereon.

Mr. O'MAHONEY, from the Committee on the Judiciary, to which was referred the bill (H. R. 4587) to give the Supreme Court of the United States authority to prescribe rules of pleading, practice, and procedure with respect to proceedings in criminal cases prior to and including verdict, or finding or plea of guilty, reported it without amendment and submitted a report (No. 1934) thereon.

Mr. MALONEY, from the Committee on Immigration, to which was referred the bill (H. R. 7955) for the relief of Louis Rosenstone, reported it without amendment and submitted a report (No. 1935) thereon.

Mr. KING, from the Committee on the District of Columbia, to which was referred the bill (S. 4161) to amend the District of Columbia Revenue Act of 1939, reported it without amendment and submitted a report (No. 1936) thereon.

Mr. ADAMS, from the Committee on Appropriations, to which was referred the bill (H. R. 10104) making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1940, and prior fiscal years, to provide supplemental appropriations for the fiscal years ending June 30, 1940, and June 30, 1941, and for other purposes, reported it with amendments and submitted a report (No. 1937) thereon.

WORK RELIEF AND RELIEF APPROPRIATIONS—CONFERENCE REPORT

Mr. ADAMS. I submit the conference report on House Joint Resolution 544, and ask for its immediate consideration.

The PRESIDING OFFICER. The report will be read.

The Chief Clerk read as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to (H. J. Res. 544) making appropriations for work relief and relief for the fiscal year ending June 30, 1941, 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 amendments numbered 2, 3, 4, 35, 41, 43, 44, 51, 57, 58, 62, and 63.

That the House recede from its disagreement to the amendments of the Senate numbered 1, 5, 19, 20, 22, 23, 24, 25, 27, 29, 31, 32, 33, 34, 36, 37, 38, 39, 40, 46, 49, 53, 54, 64, 65, 66, and 67; and agree to the same.

Amendment numbered 6: That the House recede from its disagreement to the amendment of the Senate numbered 6, and agree to the same with an amendment, as follows: In lieu of the matter inserted by said amendment insert the following: "Provided further, That not to exceed \$25,000,000 of funds herein appropriated to the Work Projects Administration may be used by the Commissioner to supplement the amounts so authorized for other than labor costs in any

State, Territory, possession, or the District of Columbia in connection with the prosecution of projects which have been certified by the Secretary of War and the Secretary of the Navy, respectively, as being important for military or naval purposes"; and the Senate agree to the same.

Amendment numbered 7: That the House recede from its disagreement to the amendment of the Senate numbered 7, and agree to the same with an amendment, as follows: In lieu of the matter inserted by said amendment insert the following: "Provided, That the provisions of this subsection shall not apply to projects (1) which have been certified by the Secretary of War and the Secretary of the Navy, respectively, as being important for military or naval purposes, or (2) which authorize necessary temporary measures to avert danger to life, property, or health in the event of disaster or grave emergency caused by flood, storm, fire, earthquake, drought, or similar cause"; and the Senate agree to the same.

Amendment numbered 8: That the House recede from its disagreement to the amendment of the Senate numbered 8, and agree to the same with an amendment, as follows: In lieu of the sum proposed insert "\$41,534,000"; and the Senate agree to the same.

Amendment numbered 9: That the House recede from its disagreement to the amendment of the Senate numbered 9, and agree to the same with an amendment, as follows: In lieu of the sum proposed insert "\$34,105,000"; and the Senate agree to the same.

Amendment numbered 10: That the House recede from its disagreement to the amendment of the Senate numbered 10, and agree to the same with an amendment, as follows: In lieu of the sum proposed insert "\$612,750"; and the Senate agree to the same.

Amendment numbered 11: That the House recede from its disagreement to the amendment of the Senate numbered 11, and agree to the same with an amendment, as follows: In lieu of the sum proposed insert "\$3,610,000"; and the Senate agree to the same.

Amendment numbered 12: That the House recede from its disagreement to the amendment of the Senate numbered 12, and agree to the same with an amendment, as follows: In lieu of the sum proposed insert "\$437,000"; and the Senate agree to the same.

Amendment numbered 13: That the House recede from its disagreement to the amendment of the Senate numbered 13, and agree to the same with an amendment, as follows: In lieu of the sum proposed insert "\$30,875,000"; and the Senate agree to the same.

Amendment numbered 14: That the House recede from its disagreement to the amendment of the Senate numbered 14, and agree to the same with an amendment, as follows: In lieu of the sum proposed insert "\$25,626,250"; and the Senate agree to the same.

Amendment numbered 15: That the House recede from its disagreement to the amendment of the Senate numbered 15, and agree to the same with an amendment, as follows: In lieu of the sum proposed insert "\$418,000"; and the Senate agree to the same.

Amendment numbered 16: That the House recede from its disagreement to the amendment of the Senate numbered 16, and agree to the same with an amendment, as follows: In lieu of the sum proposed insert "\$2,536,500"; and the Senate agree to the same.

Amendment numbered 17: That the House recede from its disagreement to the amendment of the Senate numbered 17, and agree to the same with an amendment, as follows: In lieu of the sum proposed insert "\$323,000"; and the Senate agree to the same.

Amendment numbered 18: That the House recede from its disagreement to the amendment of the Senate numbered 18, and agree to the same with an amendment, as follows: In lieu of the sum proposed insert "\$59,000,000"; and the Senate agree to the same.

Amendment numbered 21: That the House recede from its disagreement to the amendment of the Senate numbered 21, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment, insert the following:

"(c) In order to furnish the Secretary of Agriculture with additional funds for the purpose of making rural rehabilitation loans to needy farmers, the Reconstruction Finance Corporation is authorized and directed, until June 30, 1941, to make advances to the Secretary of Agriculture upon his request in an aggregate amount of not to exceed \$125,000,000. Such advances shall be made: (1) with interest at the rate of 3 per centum per annum payable semi-annually; (2) upon the security of obligations acceptable to the Corporation heretofore or hereafter acquired by the Secretary pursuant to law; (3) in amounts which shall not exceed 75 per centum of the then unpaid principal amount of the obligations securing such advances; and (4) upon such other terms and conditions, and with such maturities, as the Corporation may determine. The Secretary of Agriculture shall pay to the Corporation, currently as received by him, all moneys collected as payments of principal and interest on the loans made from the amounts so advanced, or collected upon any obligations held by the Corporation as security for such advances, until such amounts are fully repaid. The amount of notes, debentures, bonds, or other such obligations which the Corporation is authorized and empowered to issue and to have outstanding at any one time under the provisions of law in force on the date of this subsection takes effect is hereby increased by an amount sufficient to carry out the provisions of this subsection."

And the Senate agree to the same.

Amendment numbered 26: That the House recede from its disagreement to the amendment of the Senate numbered 26, and agree to the same with an amendment, as follows: Restore the matter stricken out by said amendment to read as follows:

"No loan shall be made under this section to any person to enable him to subscribe or pay for stock or membership in any cooperative

association or branch thereof not organized or in existence on the date of enactment of this joint resolution."

And the Senate agree to the same.

Amendment numbered 28: That the House recede from its disagreement to the amendment of the Senate numbered 28, and agree to the same with an amendment, as follows: In lieu of the sum proposed insert "\$4,000,000"; and the Senate agree to the same.

Amendment numbered 30: That the House recede from its disagreement to the amendment of the Senate numbered 30, and agree to the same with an amendment, as follows: In lieu of the matter inserted by said amendment insert the following: "(4) subject to the approval of the President, for projects involving rural rehabilitation of needy persons: *Provided*, That the cost (including all overhead expenses) of any dwelling or any other building the construction of which is hereafter undertaken in connection with such rural rehabilitation shall not exceed \$750 and \$400, respectively; and the Senate agree to the same.

Amendment numbered 42: That the House recede from its disagreement to the amendment of the Senate numbered 42, and agree to the same with an amendment, as follows: In lieu of the sum proposed insert "\$750,000"; and the Senate agree to the same.

Amendment numbered 45: That the House recede from its disagreement to the amendment of the Senate numbered 45, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert the following:

"Sec. 11. None of the funds made available by this joint resolution shall be expended on the construction of any building (1) the total estimated cost of which, in the case of a Federal building, exceeds \$100,000, or (2) the portion of the total estimated cost of which payable from Federal funds, in the case of a non-Federal building, exceeds \$100,000, unless the building is one (a) for which the project has been approved by the President on or prior to May 15, 1940, or for which an issue of bonds has been approved at an election held on or prior to such date, or for which a State legislature has made an appropriation on or prior to such date, or (b) for the completion of which funds have been allocated and irrevocably set aside under prior relief appropriation Acts: *Provided*, That the provisions of this section shall not apply to any projects which have been certified by the Secretary of War and the Secretary of the Navy, respectively, as being important for military or naval purposes."

And the Senate agree to the same.

Amendment numbered 47: That the House recede from its disagreement to the amendment of the Senate numbered 47, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert the following: "on projects certified as hereinbefore provided as being important for military or naval purposes"; and the Senate agree to the same.

Amendment numbered 48: That the House recede from its disagreement to the amendment of the Senate numbered 48, and agree to the same with an amendment, as follows: In lieu of the matter inserted by said amendment insert the following:

"Sec. 15. (a) In employing or retaining in employment on Work Projects Administration work projects, preference shall be determined, as far as practicable, on the basis of relative needs and shall, where the relative needs are found to be the same, be given in the following order: (1) Veterans of the World War and the Spanish-American War and veterans of any campaign or expedition in which the United States has been engaged (as determined on the basis of the laws administered by the Veterans' Administration except that discharged draft enrollees other than those with service-connected disability shall not be considered as veterans for the purposes of this subsection) and unmarried widows of such veterans and the wives of such veterans as are unemployable who are in need and are American citizens; and (2) other American citizens, Indians and other persons owing allegiance to the United States who are in need."

And the Senate agree to the same.

Amendment numbered 50: That the House recede from its disagreement to the amendment of the Senate numbered 50, and agree to the same with an amendment, as follows: Omit the matter stricken out and omit the matter inserted by said amendment; and the Senate agree to the same.

Amendment numbered 52: That the House recede from its disagreement to the amendment of the Senate numbered 52, and agree to the same with an amendment, as follows: In lieu of the matter inserted by said amendment insert the following: "(e)"; and the Senate agree to the same.

Amendment numbered 55: That the House recede from its disagreement to the amendment of the Senate numbered 55, and agree to the same with an amendment, as follows: In lieu of the matter inserted by said amendment insert the following: "(f)"; and the Senate agree to the same.

Amendment numbered 56: That the House recede from its disagreement to the amendment of the Senate numbered 56, and agree to the same with an amendment, as follows: In lieu of the matter inserted by said amendment insert the following: "(g)"; and the Senate agree to the same.

Amendment numbered 59: That the House recede from its disagreement to the amendment of the Senate numbered 59, and agree to the same with an amendment, as follows: In lieu of the matter inserted by said amendment insert the following: "in an amount exceeding \$100,000"; and the Senate agree to the same.

Amendment numbered 60: That the House recede from its disagreement to the amendment of the Senate numbered 60, and agree to the same with an amendment, as follows: In lieu of the matter

inserted by said amendment insert the following: "(except as provided in section 15 (f))"; and the Senate agree to the same.

Amendment numbered 61: That the House recede from its disagreement to the amendment of the Senate numbered 61, and agree to the same with an amendment, as follows: In lieu of the matter inserted by said amendment insert the following: "section 15 (f) and"; and the Senate agree to the same.

Amendment numbered 69: That the House recede from its disagreement to the amendment of the Senate numbered 69, and agree to the same with an amendment, as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert the following:

"Sec. 40 (a) The President is hereby authorized through such agency or agencies as he may designate to purchase exclusively in the United States and to transport, and to distribute as herein-after provided, agricultural, medical, and other supplies for the relief of refugee men, women, and children, who have been driven from their homes or otherwise rendered destitute by hostilities or invasion. When so purchased, such materials and supplies are hereby authorized to be distributed by the President through the American Red Cross or such governmental or other agencies as he may designate.

"(b) There is hereby appropriated, out of any money in the Treasury not otherwise appropriated, the sum of \$50,000,000, to be available until June 30, 1941, for carrying out the purposes of this section including the cost of such purchases, the transportation to point of distribution, and distribution, administrative and other costs, but not including any administrative expense incurred by any non-governmental agency.

"(c) Any governmental agency so designated to aid in the purchase, transportation or distribution of any such materials and supplies may expend any sums allocated to it for such designated purposes without regard to the provisions of any other Act.

"(d) On or before June 30, 1941, the President shall submit to the Congress an itemized and detailed report of the expenditures and activities made and conducted under the authority contained in this section."

And the Senate agree to the same.

Amendment numbered 70: That the House recede from its disagreement to the amendment of the Senate numbered 70, and agree to the same with an amendment, as follows: In lieu of the matter inserted by said amendment insert the following:

"Sec. 41. There is hereby appropriated, out of any money in the Treasury not otherwise appropriated, for the fiscal year 1941, the sum of \$50,000,000, to be used by the Secretary of Agriculture for the purpose of effectuating the provisions of section 32 of the act entitled 'An act to amend the Agricultural Adjustment Act, and for other purposes,' approved August 24, 1935, as amended, such sum to be in addition to any funds appropriated by such section 32 and to be subject to all the provisions of law relating to the expenditure of such funds."

And the Senate agree to the same.

The committee of conference report in disagreement amendment numbered 68.

ALVA B. ADAMS,
KENNETH MCKELLAR,
CARL HAYDEN,
JAMES F. BYRNES,
FREDERICK HALE,
JOHN G. TOWNSEND, JR.,
Managers on the part of the Senate.

EDWARD T. TAYLOR,
CLARENCE CANNON,
C. A. WOODRUM,
LOUIS LUDLOW,
J. BUELL SNYDER,
EMMET O'NEAL,
GEO. W. JOHNSON,
Managers on the part of the House.

THE PRESIDING OFFICER. Is there objection to the request of the Senator from Colorado for the immediate consideration of the conference report?

Mr. LA FOLLETTE. Mr. President, as I understand, this is the conference report on the relief bill?

Mr. ADAMS. That is correct.

Mr. LA FOLLETTE. Has the House acted on it?

Mr. ADAMS. Yes; the House has acted on it.

Mr. LA FOLLETTE. Then, in view of the fact that the Senator from Kentucky intends to take a recess, I suggest that the report go over until tomorrow morning. There are one or two important amendments in the report, and I think the Senate should not take it up for consideration at this hour of the night.

Mr. ADAMS. It is a question of the situation, in which we find ourselves; that is all.

THE PRESIDING OFFICER. Is there objection to the immediate consideration of the report?

Mr. LA FOLLETTE. I object.

THE PRESIDING OFFICER. Objection is heard.

Mr. ADAMS. It is not subject to objection; I will state to the Presiding Officer that I have a right to have it considered.

The PRESIDING OFFICER. The Senator asked unanimous consent.

Mr. ADAMS. I withdraw that, and simply submit the conference report.

Mr. LA FOLLETTE. I am not at all sure the Senator is right about that. We had an agreement for a call of the calendar. That call has not as yet been concluded.

Mr. ADAMS. I think the Senator knows that a conference report is always in order.

Mr. McKELLAR. A conference report is always in order.

Mr. LA FOLLETTE. If the Senator wants to go on with it, I will stay with him here as long as he wants to stay.

Mr. ADAMS. Just a moment. Nobody has any disposition to crowd anybody else. The only question is whether or not the majority leader and the Members of the Senate want to go ahead. I am submitting a conference report on the relief bill, which must be passed before this session recesses. If it can be taken up tomorrow and disposed of, well and good, but we have had some experiences recently which lead us to hesitate about leaving ourselves absolutely at the disposal of what may happen in 1 day. So far as I am concerned—and I think I speak for the committee—I am perfectly willing to take it up at any time at the convenience of the Senator from Wisconsin; there is no disposition to crowd it; but the Senator from Wisconsin is just as much concerned in the passage of the relief bill as is any other Senator.

Mr. LA FOLLETTE. Mr. President, I think I have the floor.

Mr. ADAMS. I think the Senator does not have the floor.

The PRESIDING OFFICER. The Senator from Colorado has the floor. The Senator yielded to the Senator from Wisconsin. The Senator from Colorado asked unanimous consent. The Chair said "Objection is heard." The Senator from Colorado then withdrew his request. Does the Senator ask for immediate consideration?

Mr. ADAMS. I submitted the conference report.

The PRESIDING OFFICER. That is in order.

Mr. LA FOLLETTE. Mr. President—

The PRESIDING OFFICER. Does the Senator from Colorado yield to the Senator from Wisconsin?

Mr. ADAMS. I am glad to yield.

Mr. LA FOLLETTE. The Senator from Colorado cannot hold the floor while such consent is being obtained, and the RECORD will show that the Chair recognized the Senator from Wisconsin.

Mr. ADAMS. I have not the slightest inclination to hold the floor over the Senator from Wisconsin, but am trying to accommodate the Senator from Wisconsin, who made the objection, and suggested that he would like to have the matter go over. It is merely a question whether or not the welfare of the Senate and of those on relief would be furthered by proceeding tonight or going on tomorrow. It is not my convenience or that of the Senator from Wisconsin which is the primary consideration. So far as I am concerned, of course, I would rather go home and go to bed.

Mr. LA FOLLETTE. Then, Mr. President—

The PRESIDING OFFICER. The Senator from Wisconsin.

Mr. BARKLEY. Mr. President—

Mr. LA FOLLETTE. I have the floor in my own right, and I do not yield to anyone. I desire to make a statement.

In the first place, unanimous consent was obtained for a call of the calendar, and it is my contention that until the call of the calendar is completed that order cannot be upset, except by a recess or an adjournment or unanimous consent granted for another purpose.

In the second place, I understood from the Senator from Oregon, the minority leader, that the Senator from Kentucky had stated that he was going to move a recess of the Senate at 10:30 o'clock.

Mr. President, there are some important issues involved in this conference report, and I merely suggested, if it was the desire and the intention of the majority leader to take a

recess in a few moments, that the report should not be disposed of, in my opinion, in so short a time. If the Senate wants to stay here and dispose of it, so far as the Senator from Wisconsin is concerned, I am willing to stay; but I think, in view of the long session which the Senate has had today, that it is not in the interest of orderly procedure or in the interest of sound legislation for the Senate to take up this important conference report at 25 minutes to 11 o'clock, after the Senate has been in session since 11 a. m. this morning.

The PRESIDING OFFICER. The Chair would like to say to the Senator from Wisconsin with respect to his objection—the Chair would like to cite paragraph 1 of rule XXVII. After reading that rule, the Chair thinks the Senator is in error, and the conference report, under the circumstances, would be in order. But the Senator from Colorado has now modified his request. What is the pleasure of the Senate?

Mr. ADAMS. I submitted the conference report for consideration by the Senate.

The PRESIDING OFFICER. That is in order.

Mr. BARKLEY. Mr. President—

The PRESIDING OFFICER. Does the Senator from Colorado yield to the Senator from Kentucky?

Mr. ADAMS. Certainly.

Mr. BARKLEY. I had announced before the Senator from Colorado came up from the Appropriations Committee, where he and other Senators have been considering the deficiency bill, that we would recess at 10:30. I did not anticipate or know that the conference report was to be filed. It is my understanding that the conference report is a privileged matter and can be taken up during the call of the calendar. We are planning to meet at 11 o'clock tomorrow morning. I think there will be ample opportunity to consider the conference report.

Mr. ADAMS. Mr. President, I want to make it clear that your committee, in charge of the deficiency bill, has had upon its shoulders for the past few days an almost unbearable task. We have had the relief bill upon our hands and hearings on it and its consideration upon the floor. We have had conferences, 1, 2, 3, 4, lasting until midnight. We have had the supplemental Army and Navy bill to consider, with hearings before the subcommittee, full committee and consideration upon the floor. We have just come tonight from the consideration of the second deficiency bill. We have been holding hearings for 2 days, and just this moment concluded the bill. So the members of that committee have been giving every ounce of energy they had, and their strength and their time, and it does seem that when we come in here, in an effort merely to accommodate the Senate, in order that it might recess, we are entitled to some little courtesy and consideration.

Mr. BARKLEY. Mr. President—

Mr. ADAMS. I do not refer to the Senator from Kentucky.

Mr. BARKLEY. I think we all agree that there is no committee in the Senate or any other legislative body that has worked more diligently and more consistently and conscientiously than has the Appropriations Committee on these measures.

Mr. ADAMS. When we come in and try to carry forward the business of the Senate, and we are short of time, then we are "jumped on" as if we were trying to crowd something. As a matter of fact, we are the ones who have been crowded trying to find time to do the business of the Senate.

Mr. BARKLEY. The Senator is correct about that, and we all appreciate the strain under which the Appropriations Committee has been working. I am perfectly willing to stay here tonight to consider the conference report.

Mr. ADAMS. I am putting it up to the Senator from Kentucky. He is in charge of this program.

Mr. BARKLEY. I said I had agreed to recess; I am going to move to recess, until 11 o'clock a. m. tomorrow, and it is my belief that, the conference report being privileged, we can consider it at any time then.

Mr. ADAMS. I want to call the Senator's attention to the fact that there is to be a meeting of the Banking and Currency Committee at 10:30 in the morning on a very important matter.

Mr. BARKLEY. I am a member of that committee.

Mr. ADAMS. I am simply saying that we are working on a 24-hour basis trying to do a week's work.

Mr. BARKLEY. I know that we are all anxious to get the appropriation bills disposed of before tomorrow night, conference reports and everything else, and I hope we can do so, regardless of our wishes in reference to a recess.

The PRESIDING OFFICER. Does the Senator from Colorado withhold his motion?

Mr. ADAMS. No; I want the conference report made the unfinished business of the Senate, and it is the unfinished business; I have submitted it.

Mr. BARKLEY. It is a privileged matter, and it is not necessary to make it the unfinished business.

Mr. ADAMS. It becomes the unfinished business.

Mr. BYRNES. Mr. President—

The PRESIDING OFFICER. The Senator from Colorado has the floor.

Mr. BYRNES. If the Senator from Colorado will yield—

Mr. ADAMS. I yield.

Mr. BYRNES. I want to say, in support of what the Senator from Colorado has said, that, as the Senator from Colorado knows, the deficiency bill, which has just been reported, is the result of hearings that have been going on since early morning, and the Appropriations Committee know that it is going to take some time for the consideration of that bill.

Then, it must go to conference; it must go to the House, for a number of items have been added to the bill. If the Senate really wants to recess tomorrow night, it must get rid of some of the bills that are pending. It has got to get rid of this conference report, and what will occur is that when we take the conference report up in the morning, before we have an opportunity to act on it, the war will again be the subject of discussion; the good Lord only knows when the conference report will be disposed of, and when the Senator from Colorado will get a chance to have the deficiency bill considered.

Mr. ADAMS. And the tax bill has to come in from conference.

Mr. BARKLEY. If what the Senator is saying indicates a desire to go on with the conference report tonight, it is entirely agreeable to me to do so.

Mr. BYRNES. I should like to say to the Senator from Wisconsin, who raised the question, that if he would submit to the Senator from Colorado the inquiry he desires to make and received his reply, possibly he would have no objection to the report being considered at this time.

Mr. LA FOLLETTE. Mr. President, I have already examined the report. I think it is absolutely unnecessary to force the Senate to consider this matter tonight. I do not see any reason why the Senator from Kentucky cannot carry out his original intention and let the matter go over until tomorrow. I have no disposition unnecessarily to delay the report.

Mr. BYRNES. I know the Senator has not.

Mr. LA FOLLETTE. I am fully aware of the importance of the legislation involved; but the Senator from South Carolina knows that the Senate has been in session now for 11¼ hours.

Mr. BARKLEY. Mr. President, will the Senator yield at that point?

Mr. LA FOLLETTE. Yes.

Mr. BARKLEY. Will the Senator agree that we shall vote on the conference report not later than 12 o'clock tomorrow?

Mr. LA FOLLETTE. So far as I am concerned I should be willing to agree to that, provided we could have a unanimous-consent agreement which would enable us to consider the conference report during the hours between 11 and 12. If other matters are going to be discussed for an hour tomorrow, I should not like to make the agreement.

Mr. BARKLEY. I realize that. I ask unanimous consent that when the Senate concludes its duties tonight, it recess until 11 o'clock tomorrow.

The PRESIDING OFFICER. Is there objection? None is heard, and it is so ordered.

Mr. BARKLEY. I also ask unanimous consent that the conference report on the relief joint resolution be taken up at once, and that not later than 12 o'clock noon tomorrow a final vote be had upon it, and that debate during the hour from 11 to 12—if that much is required—be confined to the conference report.

The PRESIDING OFFICER. Is there objection?

Mr. McNARY. Mr. President, I am sorry that the able Senator made the request. There may be some debate from Senators who are not here tonight. I do not see why we cannot carry out the original intention to recess at half-past 10. We shall be here all summer, probably most of the fall, and part of the winter.

Mr. McKELLAR. But the bill will have to be passed before the first of the fiscal year.

Mr. McNARY. I appreciate that; but the calendar can well remain here until Monday, or a week from Monday. Tomorrow we can vote on the conference report. There are two measures to be considered. I think, under the circumstances, we should carry out the program, start tomorrow at 11 o'clock on this matter, and we shall get through all right.

I must object at this time to a limitation to an hour's debate, because I am not certain that that would provide a convenient length of time for all those who might want to discuss the subject.

The PRESIDING OFFICER. Objection is heard.

Mr. BONE. Mr. President, as chairman of the Patents Committee, I received a very urgent request from the War Department, the Navy Department, the Department of Justice, the Department of Commerce, and the Commissioner of Patents for the immediate consideration of a very important bill, the report on which was filed this morning. It has already passed the House. It deals exclusively with the control of information concerning patents during this emergency, and it is deemed so vital that in my judgment it should be immediately considered; and I ask unanimous consent that it may be so considered. It contains only a paragraph or two. It is merely a restatement of the legislation on the books during the war. It has been on the books ever since, and the bill merely extends it to the emergency declared by the President. It permits the Commissioner of Patents to withhold from publication vital information about patents affecting our national defense.

The PRESIDING OFFICER. What is the calendar number of the bill?

Mr. BONE. There is no calendar number. I filed the report this morning, and it is on the desk in the hands of the clerk; and I am asking that it be considered at this time.

The PRESIDING OFFICER. Is there objection?

Mr. ADAMS. Mr. President, I do not want to have the conference report on the relief joint resolution displaced.

Mr. BONE. Then, if we cannot consider it in a moment here, I ask that that measure be displaced long enough to consider it.

The PRESIDING OFFICER. Is there objection to the request?

Mr. ADAMS. There is objection. I want to find out what we are going to do about the conference report.

ADDITIONAL BILL AND JOINT RESOLUTION INTRODUCED

An additional bill and joint resolution were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. KING:

S. 4172. A bill for the relief of Friedl Pfeifer; to the Committee on Immigration.

By Mr. BARKLEY (for Mr. BAILEY):

S. J. Res. 283. Joint resolution authorizing Col. Donald H. Connolly to hold the office of Administrator of Civil Aeronautics in the Department of Commerce; to the Committee on Commerce.

EXECUTIVE REPORTS OF COMMITTEES

As in executive session,

Mr. McCARRAN, from the Committee on the Judiciary, reported favorably the nomination of Benjamin Harrison, of

California, to be United States district judge for the southern district of California to fill a new position.

Mr. BAILEY, from the Committee on Commerce, reported favorably the nomination of Robert H. Hinckley, of Utah, to be Assistant Secretary of Commerce, vice John Monroe Johnson.

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

Mr. SHEPPARD, from the Committee on Military Affairs, reported favorably the nominations of several officers for appointment in the Regular Army, under the provisions of law.

He also, from the same committee, reported favorably the nominations of sundry officers for appointment, by transfer, in the Regular Army.

He also, from the same committee, reported favorably the nominations of sundry Reserve dental officers to be first lieutenants in the Dental Corps, Regular Army.

He also, from the same committee, reported favorably the nomination of First Lt. Edwin Joseph Sunderville, Veterinary Corps Reserve, to be first lieutenant, Veterinary Corps, Regular Army, under the provisions of law.

EXECUTIVE MESSAGES REFERRED

The PRESIDING OFFICER (Mr. CHANDLER in the chair), as in executive session, 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.)

RECESS

Mr. BARKLEY. Mr. President, the agreement to recess was made; was it not?

The PRESIDING OFFICER. It was. The Senate has agreed, when it concludes its session, to recess until 11 o'clock tomorrow morning.

Mr. BARKLEY. I think I will take chances on recessing at this time, because evidently we can dispose of the conference report tomorrow.

I move that the Senate recess at this time.

The PRESIDING OFFICER. The question is on the motion of the Senator from Kentucky.

The motion was agreed to; and (at 10 o'clock and 45 minutes p. m.) the Senate, under the order previously entered, took a recess until tomorrow, Saturday, June 22, 1940, at 11 o'clock a. m.

NOMINATIONS

Executive nominations received by the Senate June 21, 1940

FEDERAL HOME LOAN BANK BOARD

William H. Husband, of Ohio, to be a member of the Federal Home Loan Bank Board for a term of 6 years from July 22, 1940 (reappointment).

APPOINTMENTS IN THE REGULAR ARMY

MEDICAL CORPS

To be first lieutenants with rank from date of appointment

Jerome Dudley Textor	Josephus Bartow Talley, Jr.
Joseph Michael Barker	Jesse Douglas Harris
Fratris L. Duff	Edwin Emmons Corcoran
George Arthur Peck	Manah Robert Halbouty
Robert Glenn Thompson	Allen Dale Smith
William Charles Burry	Russell Burton Watson
John Marshall Salyer	William Stanley Bagnall
Hayden Waldo Withers	John Van Eman Berger, Jr.
Kermit Hudson Anderson	Walter Robbins deForest
William Wilmerding Moir, Jr.	Norman Clemm Veale
Robert Christian Rauscher	Joseph Anthony Resch
Bronko Peter Lelich	Thomas Henry Crouch
Samuel Sherman Spicer	George Arack
Fred Albert Heimstra	Edward Philip Drescher
John Randolph Hall, Jr.	Max Wendell Carver
William Harris Curry	Jack Thomas Rush
	Charles Arthur Woerner

Aaron Louis Kaminsky
Hubert Lynn Binkley
Richard Stanton Fraser
Willard Ferguson Angen
William Gunton Budington
John Roscoe Grunwell, Jr.
Eli Blair Harter
Stuart Irvin Draper

Glen Elden Ogden
John Gardiner
Joseph Nagle
Jack Bollerud
Sanford William French, Jr.
Hilbert Adolph Peter Leinger

CHAPLAIN

First Lt. Emil William Geitner, Chaplains' Reserve, to be chaplain with the rank of first lieutenant, with rank from date of appointment.

APPOINTMENTS, BY TRANSFER, IN THE REGULAR ARMY TO QUARTERMASTER CORPS

Maj. Tryon Mason Shepherd, Infantry, with rank from August 1, 1935.

TO COAST ARTILLERY CORPS

First Lt. Lawrence Kent Meade, Field Artillery, with rank from June 12, 1937.

PROMOTIONS IN THE REGULAR ARMY

TO BE COLONEL

Lt. Col. Thomas Jonathan Jackson Christian, Field Artillery, from June 17, 1940.

TO BE LIEUTENANT COLONEL

Maj. Rex. Webb Beasley, Field Artillery, with rank from June 17, 1940.

TO BE MAJORS

Capt. Edward Michael Powers, Air Corps (temporary major, Air Corps), from June 17, 1940.

Capt. Maurice Edgar Jennings, Chemical Warfare Service, from June 17, 1940.

Capt. Howell Harrell, Quartermaster Corps, from June 18, 1940.

TO BE FIRST LIEUTENANTS, WITH RANK FROM JULY 3, 1940

Second Lt. Carroll Thompson Newton, Corps of Engineers.
Second Lt. Donald Clinton Clayman, Infantry.
Second Lt. Joseph Warren Sisson, Jr., Infantry.
Second Lt. David Greene Hammond, Corps of Engineers.
Second Lt. Joseph Russel Groves, Infantry.
Second Lt. Robert Whitsett van de Velde, Field Artillery.
Second Lt. Arthur George Christensen, Infantry.
Second Lt. Harry Gantcliffe Benion, Infantry.
Second Lt. Arthur Howland Baker, Jr., Field Artillery.
Second Lt. Arthur Charles Harris, Jr., Infantry.
Second Lt. Linwood Eugene Funchess, Corps of Engineers.
Second Lt. Laurence Clifford Brown, Infantry.
Second Lt. Jesse Mecham, Infantry.
Second Lt. Walter Ward Davis, Infantry.
Second Lt. William Andrew Enemark, Field Artillery.
Second Lt. Merten Kenneth Heimstead, Infantry.
Second Lt. Thaddeus Ronsaville Dulin, Infantry.
Second Lt. Leon John de Penne Rouge, Infantry.
Second Lt. Gaylord Walton Fraser, Infantry.
Second Lt. William Sherbourne McCrea, Infantry.
Second Lt. Donald Frederick Thompson, Infantry.
Second Lt. John Gordon Nelson, Coast Artillery Corps.
Second Lt. Chester Martin Beaver, Infantry.
Second Lt. Edward Wallace McLain, Coast Artillery Corps.
Second Lt. John Unsworth Allen, Corps of Engineers.
Second Lt. Byron William Ladd, Infantry.
Second Lt. Lyman Hodges Ripley, Coast Artillery Corps.
Second Lt. Francis Carlton Truesdale, Infantry.
Second Lt. William Shepherd Humphries, Infantry.
Second Lt. Donald Washington, Infantry.
Second Lt. Charles Robert Etzler, Infantry.
Second Lt. Philip Cochran Tinley, Infantry.
Second Lt. Charles Murray Henley, Infantry.
Second Lt. John Brockway Rippere, Corps of Engineers.
Second Lt. Steve Archie Chappuis, Infantry.
Second Lt. Elmer Bolton Kennedy, Field Artillery, subject to examination required by law.
Second Lt. James Jackson Stewart, Jr., Infantry.

Second Lt. Thomas Brownbridge Simpson, Corps of Engineers.

Second Lt. Paul Thomas Boleyn, Infantry.

Second Lt. Frederick William Nagle, Infantry.

Second Lt. Otho Anthony Moomaw, Coast Artillery Corps.

Second Lt. Jabus Willie Rawls, Jr., Coast Artillery Corps.

Second Lt. Andrew Buchler Zwaska, Infantry.

Second Lt. Jack Leslie Coan, Corps of Engineers.

Second Lt. Edward Francis Kent, Infantry.

Second Lt. George William Croker, Coast Artillery Corps.

Second Lt. Willard Wright Lazarus, Air Corps.

Second Lt. William Hart Hanson, Air Corps.

Second Lt. John Willis Paddock, Infantry.

Second Lt. Joe Stallings Lawrie, Infantry.

APPOINTMENTS TO TEMPORARY RANK IN THE AIR CORPS IN THE REGULAR ARMY

TO BE COLONEL

Lt. Col. Donald Patrick Muse, Air Corps, from June 17, 1940.

TO BE LIEUTENANT COLONELS

Maj. Leo Fred Post, Air Corps, from June 23, 1940.

Maj. John Carroll Kennedy, Air Corps, vice Lt. Col. Donald P. Muse, Air Corps, nominated for appointment as temporary colonel, Air Corps.

TO BE MAJOR

Capt. Charles Pearre Cabell, Air Corps, vice Maj. John C. Kennedy, Air Corps, nominated for appointment as temporary lieutenant colonel, Air Corps.

APPOINTMENTS AND PROMOTIONS IN THE NAVY

Rear Admiral Samuel M. Robinson to be Chief of the Bureau of Ships, in the Department of the Navy, with the rank of rear admiral, for a term of 4 years.

Commander Norman C. Gillette to be a captain in the Navy, to rank from the 1st day of June 1940.

The following-named lieutenant commanders to be commanders in the Navy to rank from the date stated opposite their names:

Walter H. Roberts, September 23, 1939.

Lewis Corman, September 23, 1939.

Charles B. McVay, 3d, December 29, 1939.

The following-named lieutenants to be lieutenant commanders in the Navy, to rank from the date stated opposite their names:

William L. Messmer, August 1, 1939.

John J. Laffan, September 23, 1939.

George A. Leahey, Jr., September 23, 1939.

John G. Johns, May 1, 1940.

The following-named lieutenants (junior grade) to be lieutenants in the Navy, to rank from the date stated opposite their names:

Francis M. Douglass, September 1, 1939.

Charles C. Gold, September 23, 1939.

Robert H. Kerr, September 23, 1939.

Archibald W. Greenlee, December 8, 1939.

William Outerson, January 1, 1940.

The following-named ensigns to be lieutenants (junior grade) in the Navy, to rank from the 3d day of June 1940:

Jack A. Obermeyer

John M. Ballinger

Emery A. Grantham

Parkman B. Moore

Richard E. Ball

Herbert J. Hartman

Mark H. Jordan

Frank F. Menefee

Medical Inspector Virgil H. Carson to be a medical director in the Navy, with the rank of captain, from the 1st day of August 1939.

Surg. Jacob W. Troxell to be a medical inspector in the Navy, with the rank of commander, from the 1st day of July 1939.

William N. McGibony to be an assistant paymaster in the Navy, with the rank of ensign, from the 15th day of June 1940.

Naval Constructor Walter F. Christmas to be a naval constructor in the Navy, with the rank of commander, from the 1st day of July 1939.

Civil Engineer Gaylord Church to be a civil engineer in the Navy, with the rank of captain, from the 1st day of June 1937.

Lt. (Jr. Gr.) Joseph H. Barker, Jr., to be an assistant civil engineer in the Navy, with the rank of lieutenant (junior grade), from the 4th day of June 1939.

The following-named lieutenant commanders to be lieutenant commanders in the Navy from the date stated opposite their names, to correct the date of rank as previously nominated and confirmed:

Cameron Briggs, August 1, 1939.

Clement R. Criddle, August 1, 1939.

William L. Wright, September 1, 1939.

Rex S. Caldwell, September 1, 1939.

Russell S. Smith, September 1, 1939.

George J. Dufek, September 23, 1939.

Edward L. Beck, September 23, 1939.

William A. New, September 23, 1939.

William H. Standley, Jr., September 23, 1939.

Frank P. Tibbitts, September 23, 1939.

Everett E. Mann, September 23, 1939.

The following-named lieutenants to be lieutenants in the Navy from the date stated opposite their names, to correct the date of rank as previously nominated and confirmed:

Joseph H. Kuhl, August 1, 1939.

Howard R. Prince, August 1, 1939.

Leon S. Kintberger, September 1, 1939.

John R. Leeds, September 1, 1939.

Max Silverstein, September 23, 1939.

Robert E. Vandling, September 23, 1939.

Ray M. Pitts, September 23, 1939.

The following-named commanders to be captains in the Navy, to rank from the date stated opposite their names:

Elmer L. Woodside, April 13, 1940.

Glenn B. Davis, May 1, 1940.

The following-named lieutenants to be lieutenant commanders in the Navy, to rank from the 1st day of June 1940:

William E. Hank.

Thomas J. Hickey.

Lieutenant (junior grade) Max C. Mather to be a lieutenant in the Navy, to rank from the 1st day of June 1940.

HOUSE OF REPRESENTATIVES

FRIDAY, JUNE 21, 1940

The House met at 11 o'clock a. m., and was called to order by the Speaker.

Rev. Bernard Braskamp, D. D., pastor of Gunton Temple Memorial Presbyterian Church, Washington, D. C., offered the following prayer:

O Thou sovereign God of the universe, as we bow in the hush and joy of Thy presence, may we be conscious of the need of Thy revealing grace.

We pray that we may be responsive to the guidance of Thy spirit. Thou knowest our infirmities; let Thy strength be made perfect in our weakness. Our duties are far beyond our own power; let divine wisdom be manifested in an abundant measure.

Grant in these days of tribulation and evil tidings, when we are mobilizing our material resources for the defense of our sacred liberties, that we may not fail to mobilize our faith in the abiding reality of God, our faith in the inexhaustible resources of God, our faith in the omnipotent rule of the Lord God of Hosts, and our faith in the final triumph of truth and righteousness. Help us to weave out of the loom of life's trials and hard experiences a character that is worthy of being perpetuated by posterity and worthy of receiving Thy benediction.

As Thou hast opened Thy hand of blessing upon our beloved country, so wilt Thou enlarge our hearts with a sincere desire to minister unto needy humanity and all the children of sorrow and affliction.

In the name of the compassionate Christ we pray. 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 adopted the following resolution:

Senate Resolution 283

IN THE SENATE OF THE UNITED STATES,
June 20 (legislative day, May 28), 1940.

Resolved, That the Senate has heard with profound sorrow and deep regret the announcement of the death of Hon. ERNEST W. GIBSON, late a Senator from the State of Vermont.

Resolved, That a committee of six Senators be appointed by the President of the Senate to take order for superintending the funeral of the deceased Senator.

Resolved, That the Secretary communicate these resolutions to the House of Representatives and transmit a copy thereof to the family of the deceased.

Resolved, That as a further mark of respect to the memory of the deceased the Senate do now adjourn until 11 o'clock antemeridian tomorrow.

The message also announced that pursuant to the foregoing resolution the Presiding Officer had appointed Mr. AUSTIN, Mr. CONNALLY, Mr. BULOW, Mr. BURKE, Mr. GURNEY, and Mr. TOBEY as members of the said committee on the part of the Senate.

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. 9594) entitled "An act to amend section 12 (b) of the Soil Conservation and Domestic Allotment Act, as amended, by authorizing the transfer of funds to cover advances for crop insurance."

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

S. J. Res. 279. Joint resolution to amend section 4 of Public Resolution No. 54, approved November 4, 1939, entitled "Joint resolution to preserve the neutrality and the peace of the United States and to secure the safety of its citizens and their interests."

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

H. R. 10055. An act making supplemental appropriations for the national defense for the fiscal year ending June 30, 1941, and for other purposes.

The message also announced that the Senate insists upon its amendments to the foregoing bill, requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. ADAMS, Mr. GLASS, Mr. McKELLAR, Mr. HAYDEN, Mr. BYRNES, Mr. HALE, and Mr. TOWNSEND to be the conferees on the part of the Senate.

SUPPLEMENTAL APPROPRIATIONS FOR NATIONAL DEFENSE, 1941

Mr. WOODRUM of Virginia. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 10055) making supplemental appropriations for the national defense for the fiscal year ending June 30, 1941, and for other purposes, with Senate amendments thereto, disagree to the Senate amendments, and agree to the conference requested.

The Clerk read the title of the bill.

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

There was no objection, and the Speaker appointed the following conferees on the part of the House: Messrs. TAYLOR, WOODRUM of Virginia, CANNON of Missouri, LUDLOW, SNYDER, O'NEAL, JOHNSON of West Virginia, TABER, WIGGLESWORTH, LAMBERTSON, and DITTER.

PERMISSION TO ADDRESS THE HOUSE

Mr. RAYBURN. Mr. Speaker, I ask unanimous consent to proceed briefly.

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

There was no objection.

SELECTION OF KEYNOTE SPEAKER AND PERMANENT CHAIRMAN OF DEMOCRATIC AND REPUBLICAN CONVENTIONS

Mr. RAYBURN. Mr. Speaker, I know that all Members on both sides of the House are deeply gratified when a

Member of the House is paid a high compliment, and especially is that true when the compliment is paid our popular and beloved Speaker the gentleman from Alabama [Mr. BANKHEAD]. [Applause.]

On yesterday at Chicago the arrangements committee for the Democratic National Convention did themselves proud when they conferred upon him a great honor by naming the gentleman from Alabama, Mr. BANKHEAD, temporary chairman of the convention and keynoter. [Applause.] Many great speeches have been made on occasions such as that will be. The party banner has been upheld in a grand fashion by many men on those numerous occasions, but those of us who will be members of that convention and others in radioland who will listen to that address will, in my opinion, in sound sentiment, in party defense, and in oratory hear as great, if not the greatest, speech that was ever made on an occasion such as that will be. [Applause.]

Mr. MARTIN of Massachusetts. Will the gentleman yield?

Mr. RAYBURN. I yield to the gentleman from Massachusetts.

Mr. MARTIN of Massachusetts. Mr. Speaker, on behalf of the Republican side of the House I am sure I express the sentiments of everyone when I say that we, too, are delighted at the high honor that has come to our beloved Speaker. He is a man whom we all hold in the highest esteem. While I could not go so far as to expect the views he may present will appeal to all of us, I am sure he will present the Democratic case most thoroughly and completely. [Applause.]

Mr. Speaker, if the wishes of the Members on this side of the House were consummated, he would receive even a higher honor than keynoter for his party. [Applause.] I am happy to join in these felicitations and to extend my personal good wishes. It is a distinct honor to the House and it is a choice which will receive universal approval.

Mr. RAYBURN. I thank the minority leader for his splendid compliment and contribution.

Mr. FISH. Will the gentleman yield?

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

Mr. FISH. Mr. Speaker, this House often suffers from comparison with the Senate without any justification whatever. I believe there is just as much ability or more, just as many orators in the House as there are in the Senate, and I am proud of the fact that the great Democratic Party has chosen one of their most distinguished Members, Speaker BANKHEAD, to be temporary chairman to make their keynote speech. I know he will do credit to his party and to the House of Representatives.

I have risen, Mr. Speaker, to point out also that the great Republican Party has chosen a Member of this House, a very distinguished Member of this House, the Republican floor leader, the gentleman from Massachusetts [Mr. MARTIN], to be its permanent chairman and I know he, too, will be a credit to his party and to the House and that he will deliver a great, ringing, sound, American speech. [Applause.]

Mr. WARREN. Will the gentleman yield?

Mr. RAYBURN. I yield to the gentleman from North Carolina.

Mr. WARREN. Mr. Speaker, I, too, share with all the House the satisfaction that comes to this body in having the one who presides over us selected as the keynote speaker of the Democratic National Convention. It is a tribute to one for whom we hold the deepest friendship and attachment and who truly may be called a great American.

The House of Representatives is the fairest body on earth in its appraisal of its membership. It is generous in overlooking for a long time our frailties, it is quick to recognize force and character and ability, and it is always with reluctance when it is finally forced to place its seal of disapproval on anyone. True greatness is never achieved by accident in this body. It is a long road from the time a man enters here to the time he is elevated by his fellows to the greatest of all honors that they may bestow, for whoever presides over the House holds a position second only to the Presidency. There

have been only a few weak ones to reach it and only a few have attained it through political exigencies or sectional location. The cornerstone to a man's rise to the Speakership is confidence.

From the day I entered this body I have cherished the friendship of the gentleman from Alabama, WILLIAM B. BANKHEAD. Over 15 years ago he was rated as one of the strong men of the House and since then I have watched with pride his onward career. When the present majority party first organized the House in the Seventy-second Congress, the gentleman from Alabama [Mr. BANKHEAD] was still a private in the ranks. But although he was chairman of no committee in that Congress or during most of the succeeding Congresses he was nonetheless regarded as a commanding figure solely because of his sheer ability and the confidence in which he was held.

Late in the Seventy-third Congress he succeeded the beloved Edward W. Pou, of North Carolina, as chairman of the powerful Rules Committee. At the beginning of the Seventy-fourth Congress he was made majority leader, and when the post of Speaker became vacant in that Congress he was unanimously chosen to fill it and in each Congress since has been reelected.

In all of these high positions he has displayed the same characteristics of a truly winning personality, real force, power in debate, calmness under stress, and unvarying fairness which have marked him since he first became a Member of Congress 24 years ago. History will record him as one of the really great Speakers.

I am happy to join in this tribute to my devoted friend. [Applause.]

Mr. RAYBURN. Mr. Speaker, I yield to the gentleman from North Carolina [Mr. DOUGHTON].

Mr. DOUGHTON. Mr. Speaker, any laudable movement or venture is well along the road to success when wisely and properly begun.

It is with the utmost degree of pride and genuine heartfelt satisfaction that I note the selection by the Democratic National Committee of our loved Speaker to be temporary chairman and to deliver the keynote address at the forthcoming Democratic convention at Chicago. This choice is another demonstration of the wisdom and acumen of Chairman Farley and the other members of our national committee.

Certainly no better choice could possibly be made than the selection of the gentleman from Alabama [Mr. BANKHEAD]. It gives every assurance that our convention, from the very outset, will be saturated with the essence of democracy in its fullness, its purity, and its effectiveness.

Few people are so thoroughly versed in the fundamental philosophy of the Democratic Party and few are so familiar with its record of outstanding achievements. Certainly, no one is more worthy or deserving of honor at the hands of his party than the gentleman from Alabama [Mr. BANKHEAD].

His great natural ability, cultivated by years of intense study and assiduous devotion to duty and tempered by long service and experience, qualify him as an outstanding exponent and teacher of the creed and doctrine of pure democracy.

The scholarly achievements, the eloquence, the patriotism, and the statesmanship of the gentleman from Alabama [Mr. BANKHEAD] are unexcelled by anyone.

Certainly there is no position in our Government so high and exalted that he could not fill it with signal honor and unsurpassed distinction.

The Democratic National Committee is to be thanked and congratulated upon its choice, and I can assure those who attend our convention that under the eloquent and logical keynote address of the gentleman from Alabama, Speaker BANKHEAD, the inspiring spirit of democracy will hover over the convention like a gentle benediction. [Applause.]

I cannot close my remarks without stating also that the Republican Party has shown equally good judgment and wisdom in its choice for permanent chairman of its national convention, the gentleman from Massachusetts, the Honorable JOE MARTIN. [Applause.] He has in the highest

degree the respect, the confidence, the admiration, and the real affection of the entire membership of this House. There is no one more able to preach and teach the doctrine of Republicanism than the gentleman from Massachusetts, JOE MARTIN, and I congratulate his committee and his party in his selection. They have made a wise choice. [Applause.]

Mr. RAYBURN. Mr. Speaker, I yield to the gentleman from Minnesota [Mr. KNUTSON].

Mr. KNUTSON. Mr. Speaker, the House has been signally honored by both of the great political parties in the selection of the gentleman from Alabama, Speaker BANKHEAD, to deliver the keynote address at the Democratic Convention and in the selection of our beloved minority leader, the gentleman from Massachusetts [Mr. MARTIN], as the permanent chairman of the great Republican Party. The selection of the gentleman from Alabama [Mr. BANKHEAD] as the keynoter is peculiarly pleasing to those of us who came to this body with him in the Sixty-fifth Congress. Of that large class there are only seven of us left. The Speaker is easily the most distinguished and beloved member of that group.

Speaker BANKHEAD has made a great Speaker, always fair, always good-natured, always courteous. He is a great American whom I am proud to call friend. In my opinion—and I am sure I voice the sentiment of both sides when I say this—the gentleman from Alabama, Speaker BANKHEAD, is big enough to be President of the United States. [Applause.] So is the gentleman from Massachusetts, JOE MARTIN. [Applause.] I do not hope to see you people nominate the gentleman from Alabama [Mr. BANKHEAD]. You could go further and do worse, and you probably will. [Laughter.] I am not so sure that the Republican Party will not display the good sense of making the gentleman from Massachusetts [Mr. MARTIN] its standard bearer. He also is a great American who commands the respect and affection of our membership. [Applause.]

Mr. RAYBURN. Mr. Speaker, I yield to the gentleman from Missouri [Mr. CANNON].

Mr. CANNON of Missouri. Mr. Speaker, there was no action taken by the committee yesterday in arranging for the convention that met with such unanimous accord and with such hearty applause as the selection of our Speaker for this important position. He is qualified for the place by his unerring and sagacious judgment, by his long and eventful political experience, and by his great ability as an orator. No more persuasive and eloquent advocate could have been selected.

But there is one objection to his being chosen for this distinguished duty. There is an unwritten law, a tradition long observed in the convention, that the man who is to be selected as the standard bearer of the party shall not appear on the platform previous to his nomination by the convention.

However, we live in a day in which we are both making and breaking precedents—in an age that is discarding tradition and ceremony where out of keeping with the practical trend of the times. And in the iconoclastic readjustments of the hour there is no rule of procedure that could be more easily or more happily dispensed with than this one. [Applause.] Judging by the general acclaim given the suggestion made by my friend, the distinguished gentleman from Minnesota [Mr. KNUTSON] just now, there is every reason to believe that if the Speaker were nominated he would have the unanimous support of his colleagues in the House of Representatives on both sides of the aisle. [Laughter and applause.]

Therefore, Mr. Speaker, in anticipation of a consummation so devoutly to be wished, I congratulate the committee, the party, and the Speaker on this great and distinguished honor which has come to him and through him to every Member of the House of Representatives. [Applause.]

Mr. RAYBURN. Mr. Speaker, I yield to the gentleman from Massachusetts [Mr. McCORMACK].

Mr. McCORMACK. Mr. Speaker, it is only fitting and proper that the two leaders of the House, our beloved Speaker and our equally beloved minority leader, should receive the recognition they have from their respective parties. It is not

only a credit to the two great political parties of the country but it is an honor which both of them richly and properly deserve, because they have both earned it. Both of them have evidenced leadership in the House which has commanded the respect and the attention of the entire country. [Applause.] Their leadership has always commanded the respect of their colleagues.

Naturally I am proud of the selection of the gentleman from Massachusetts, JOE MARTIN, not only because he comes from Massachusetts but because there is a close personal friendship between us. I am particularly proud of the selection of our Speaker as the temporary chairman and the keynoter of the Democratic convention. I am proud not only because of the friendship I have for him personally but because of the respect that is so universally extended to him by all who know him or know of him.

The one thing that has impressed me about the gentleman from Alabama, Speaker BANKHEAD, in my 12 years of contact with him is his broadness of character and of mind, his intense love of country, his fairness in his dealings with his fellow men, and the great capacity and courage that he possesses as a legislator. Another thing that has impressed me is the fact that he looks at things from a national angle. The gentleman from Alabama, Speaker BANKHEAD, has earned the position which he occupies because of his ability and because of the confidence, as the gentleman from North Carolina [Mr. WARREN] so ably stated, that we, his colleagues, have in him; but over and above that, the gentleman from Alabama, Speaker BANKHEAD, is an American in every sense of the word. [Applause.] He does not think in terms of Alabama; he does not think in terms of sectionalism; he thinks in terms of the welfare of the Nation and of the entire 48 States, a man whose very actions and expressions are permeated with tolerance and love of his fellow man; a man who symbolizes to the highest extent humanly possible the great ideals for which our Government stands. [Applause.] He fittingly occupies the position that he now holds, and he is well equipped to fill any position within the power of the people of this country, and I predict with confidence that the public positions that he will occupy will not be confined to that of Speaker of the House of Representatives. [Applause.]

Mr. RAYBURN. Mr. Speaker, I yield to the gentleman from Mississippi [Mr. RANKIN].

Mr. RANKIN. Mr. Speaker, of course, I am delighted that my distinguished friend and my nearest neighbor in this House, our illustrious Speaker, the gentleman from Alabama, WILL BANKHEAD, has been selected as the keynote speaker at the Democratic national convention. I am also delighted to know that our friend the gentleman from Massachusetts, JOE MARTIN, has been selected to preside over the Republican convention. I wish he had been selected to deliver the keynote address.

If American institutions are to endure, it will be because of the strength, the ability, the courage and statesmanship manifested by the membership of this House. We are the only people on the Federal pay roll, with the lone exception of the Vice President of the United States, who can gain our positions only by a vote of the people. A President may come from the Vice Presidency or the Cabinet, a Senator may be appointed by the Governor; but no man or woman can occupy a seat in this House until he or she has received a majority of the votes of the people voting in that particular district. This House truly represents the voice of the American people.

There have been 10 Presidents who had never occupied a seat in either House, if you take into consideration the Continental Congress in which George Washington, Thomas Jefferson, and John Adams all served. Only 10 men have ever been elevated to the Presidency who had never occupied a seat in either House of Congress.

If by any chance our present great leader, our present President, should decline the nomination, the Democratic Party could not do better than to select as his successor our distinguished Speaker, the gentleman from Alabama, WILL BANKHEAD. [Applause.] And if the Republican Party should

exercise its wisdom, it could not do better than to select as its standard bearer the distinguished gentleman from Massachusetts [Mr. MARTIN]. [Applause.]

Then we would have two great leaders of the two great parties trained in this, the greatest of all governmental schools, battling on the great fundamental principles that separate the two great parties in this country. Then, indeed, would we have a battle, pitched on the highest plane and based entirely upon fundamental American principles; and if they are not selected for those places, then it would behoove the two great parties to select them for the next highest places on the two tickets. [Applause.]

Mr. RAYBURN. Mr. Speaker, I yield to the gentleman from Virginia [Mr. WOODRUM].

Mr. WOODRUM of Virginia. Mr. Speaker, when the two great parties cast about to find men to serve in important capacities in their respective conventions, it was most natural that they turned to the House of Representatives, that in these recent years is deservedly looked upon as the conservative and safe legislative branch of the Government [applause]; and when they came to this body it was quite natural that they turned to the distinguished gentleman from Massachusetts [Mr. MARTIN], who will acquit himself with honor, and, I am sure, with delight and entire satisfaction to the Republicans, and, perhaps, with considerable discomfort to we Democrats [laughter and applause]; and it was equally natural that they turn to the great Speaker of the House of Representatives. [Applause.]

When I came to this body 18 or 19 years ago, I seized upon the gentleman from Alabama, BILL BANKHEAD, as my ideal of a Congressman; and while I do not want to dwell at length upon his many personal charms and virtues as a man and a citizen and a legislator, I do want to mention one or two things that in my judgment stand in bold relief today in his character and equipment for any honor that the American people would wish to give him. And, Mr. Speaker, there is no honor that the American people could give the gentleman from Alabama, BILL BANKHEAD, that he would not fill with distinction because of his splendid qualifications and equipment. In the first place, with his intimate knowledge of parliamentary rules and procedure, the gentleman from Alabama, BILL BANKHEAD, in my judgment, is without a peer in this or the other body as a parliamentarian. He likewise possesses an intimate understanding of the various and devious ways of governmental routine and procedure, an indispensable qualification for a man who is going to serve today in the legislative branch of the Government. As a Democrat he is deeply ingrained and steeped in the sound, safe, and conservative philosophies of the Democratic Party. He will make a great speech, I am sure. In addition to these qualifications I should comment upon the fact that while I have seen the speaker in this body, upon many occasions when he was in the heat of the fight, when influences and passion were sweeping down upon him, I have never yet seen the gentleman from Alabama, BILL BANKHEAD, caught off balance or lose his head. If there is one thing that America needs today in men in high office, whether in the legislative branch or the executive branch of the Government, it is men who have the great virtue of being able to stop, look, and listen, and act deliberately and without impulse. [Applause.]

I have seen the Speaker under trying circumstances. I have always found that calm, inquiring, judicious attitude of being able to stop and take a situation or proposition and weigh it upon its merits and try to come to a conclusion that is justified. I am very glad, Mr. Speaker, to pay my personal tribute to the Speaker of the House, and it is my great satisfaction that he is to make the keynote speech at the Chicago convention.

Mr. RAYBURN. Mr. Speaker, I yield now to the gentleman from Alabama [Mr. STEAGALL].

Mr. STEAGALL. Mr. Speaker, I desire to thank the membership of the House for the splendid tributes that have just been paid to our beloved Speaker. Speaker BANKHEAD is Alabama's first citizen. He is first in our confidence, first

in our esteem, and first in our affections; and the people of Alabama share with you, without qualification, the judgment expressed here this morning that he is worthy of any honor and fit for any trust within the gift of the people of the Nation. [Applause.]

Mr. BANKHEAD. Mr. Speaker, I ask recognition for a few moments.

The SPEAKER pro tempore. The Chair recognizes the Speaker of the House of Representatives.

Mr. BANKHEAD. Mr. Speaker, I shall detain you for only a moment. I would be less than a human being if I did not confess to you that I have been almost overwhelmed and overcome with sentiments of gratitude and appreciation for the very kindly and very complimentary things that have been said by friends on both sides of the aisle this morning in connection with my selection as the temporary chairman of the National Democratic Convention. And I join most deeply and affectionately in the praise that has been bestowed upon the great minority leader in this House, the gentleman from Massachusetts, JOE MARTIN, in the very fine compliment that has been paid him by his party in making him the permanent chairman of the Republican National Convention. [Applause.]

I have served in this House now for practically a quarter of a century. It is a long, long time. I have naturally striven to give the best years of my life and whatever poor talents I may have possessed and to undertake in humble positions, and in more elevated positions, that have been accorded me through the confidence of my associates, the duties of a Representative of an average congressional district of Alabama, and I have always endeavored, as has been suggested by my beloved friend the gentleman from Massachusetts [Mr. McCORMACK], not only to regard or attempt to regard the local economic conditions of my home district but also to envision at large the best interests of the American people everywhere, regardless of section.

I have asked for this moment merely to express to you my deep and heartfelt appreciation of these rather noble expressions on the part of my colleagues out of their affectionate partiality for me, and to assure you that it has been a great comfort and privilege for me to have served with so many men who have passed out of the scene of action in this House, and to have served with all of you gentlemen who are still here; and regardless of the sharp issues that may arise in the coming Presidential election, I think I am justified in expressing a sentiment of regret that probably it may be unfortunate for the unity and solidarity and best judgment of the American people in the great crisis with which we are confronted that a Presidential election is to come on this year—and, although I am a Democrat, of course, loyal to my party traditions and principles, and have been fighting its battles for more than 40 years, I feel and know that, regardless of these temporary political passions that excite us—the desire to obtain positions of power and control of the Government—all of us in trying times like this, deep down in our hearts are going to do our dead level best to preserve the great liberties and freedom which are the cherished heritage handed down to us by our forefathers, and dedicate our real services to those fundamental and pressing things which make for the preservation of those great ideals that we worship and cherish. [Applause.]

FILING OF CONFERENCE REPORT ON REVENUE BILL

Mr. DOUGHTON. Mr. Speaker, I ask unanimous consent that the Committee on Ways and Means may have until midnight tonight to file a conference report upon the revenue bill.

The SPEAKER. Is there objection?

There was no objection.

EXTENSION OF REMARKS

Mr. LESINSKI. Mr. Speaker, I ask unanimous consent to place in the RECORD a short editorial on the National Labor Relations Act.

The SPEAKER. Is there objection?

There was no objection.

Mr. FULMER. Mr. Speaker, I ask unanimous consent to extend my remarks and insert therein a short editorial.

The SPEAKER. Is there objection?

There was no objection.

LEAVE OF ABSENCE

Mr. LUDLOW. Mr. Speaker, my colleague the gentleman from Indiana [Mr. BOEHNE] is unavoidably absent. I ask unanimous consent that he may be excused from attending the session of the House today.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

PERMISSION TO ADDRESS THE HOUSE

Mr. MAHON. Mr. Speaker, I ask unanimous consent that after the disposition of the legislative business of the day I may be permitted to address the House for 10 minutes.

The SPEAKER. Is there objection?

There was no objection.

EXTENSION OF REMARKS

Mr. ELLIS. Mr. Speaker, I ask unanimous consent to extend my remarks and include therein a poem by S. Johnson.

The SPEAKER. Is there objection?

There was no objection.

By unanimous consent Mr. Cox was granted permission to extend his own remarks.

Mr. CELLER. Mr. Speaker, I ask unanimous consent to extend my remarks and include a joint discussion on the subject of national defense.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. VOORHIS of California. Mr. Speaker, I ask unanimous consent to extend my remarks and include therein the prize-winning essay in the American Legion contest on What it Means to Me To Be an American, which was won by a young high-school student in my own district.

The SPEAKER. Is there objection?

There was no objection.

Mr. BROOKS. Mr. Speaker, I ask unanimous consent to extend my remarks and include therein a short editorial on adjournment.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

EXPLANATION

Mr. BYRNE of New York. Mr. Speaker, I was unavoidably absent on roll call 156. Had I been present, I would have voted "aye."

EXTENSION OF REMARKS

Mr. LEAVY. Mr. Speaker, I ask unanimous consent to extend my remarks and include therein a short article and editorial from the Spokesman Review of Spokane, Wash., on the subject of Father's Day.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. WHITE of Idaho. Mr. Speaker, I ask unanimous consent to extend my remarks and include therein an article One Woman's Opinion, by Mrs. Walter Ferguson.

The SPEAKER. Is there objection?

There was no objection.

Mr. WIGGLESWORTH. Mr. Speaker, I ask unanimous consent for two extensions of remarks and to include an editorial in each instance.

The SPEAKER. Is there objection?

There was no objection.

Mr. MASON. Mr. Speaker, I have two unanimous-consent requests: First, to extend my remarks in the Appendix on the subject If Let Alone; and, second, to extend my remarks in the Appendix on the subject High Pressure Advertising, and include therein a short editorial.

The SPEAKER. Is there objection?

There was no objection.

Mr. SPRINGER. Mr. Speaker, I ask unanimous consent to extend my remarks and include therein a brief editorial appearing in the Washington Post.

The SPEAKER. Is there objection?

There was no objection.

COMPULSORY MILITARY TRAINING

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

The SPEAKER. Is there objection?

There was no objection.

[Mr. ALEXANDER addressed the House. His remarks appear in the Appendix of the Record.]

SUBVERSIVE ACTIVITIES—CONFERENCE REPORT

Mr. HOBBS presented a conference report and statement on the bill (H. R. 5138) to make unlawful attempts to interfere with the discipline of the Army, the Navy, and the Coast Guard; to require the deportation of certain classes of aliens; to require the fingerprinting of aliens seeking to enter the United States; and for other purposes, which was ordered to be printed.

THE RESIGNATION OF SECRETARY WOODRING

Mr. RICH. 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. RICH. Mr. Speaker, headlines in this morning's Post read: "Forced out for trying to save defenses, Secretary Woodring is quoted." Secretary Woodring told friends in Topeka 3 weeks ago, a small clique of international financiers was seeking to force him out as Secretary of War, because he opposed stripping our defenses to aid the Allies.

I am an advocate of adequate defense—

Said Woodring—

but I will never stand for sending American boys into Europe's shambles. There is a comparatively small clique of international financiers who want the United States to declare war and get into the European mess with everything we have, including our manpower.

I'm not going to stand for it, and I'm not going to resign until forced to do so.

They don't like me because I'm against stripping our own defenses for the sake of trying to stop Hitler, 3,000 miles away. Eventually they will force me to resign, and I'll be darned glad to come back to Kansas where the people have their feet on the ground, and are not easily swayed by demagogues and subtle propaganda.

We are about to see a coalition cabinet an accomplished fact. A war cabinet, if you please. Watch this cabinet, I warn you—watch the President I warn you. If the President gets us into war at this time it would be the greatest disgrace and calamity that could come upon America. We Members of Congress must keep our feet on the ground and not permit anybody to get us into war at this time. Where is our Neutrality Act? Where is the peace of American people to be preserved? In the Congress.

I am not going to vote to go into the European war under any condition. No reason can be given for such a course at such a terrible cost. I am against war when peace can prevail. [Applause.]

[Here the gavel fell.]

EXTENSION OF REMARKS

Mr. LELAND M. FORD. Mr. Speaker, I ask unanimous consent to extend my own remarks in the Appendix pertaining to Harry Bridges and my appearance before the Committee on Immigration and Naturalization, and before the Committee on Rules.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

RESIGNATION OF SECRETARY WOODRING

Mr. CARLSON. 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. CARLSON. Mr. Speaker, yesterday the President removed Hon. Harry H. Woodring as Secretary of War. News dispatches this morning indicate that there may have been an ulterior motive in his removal. As a Kansan and a friend of the Secretary I am today introducing a resolution for the appointment of a joint committee of the Senate and House to make a thorough investigation. These questions should be answered:

Was Mr. Woodring removed because he cooperated with the Chief of Staff and our Army officials instead of Harry Hopkins and Secretary Morgenthau?

Was he removed because he opposed the sale and transfer of military supplies that we need ourselves?

Was he removed because he favored a program of national defense for our Nation instead of intervention in Europe?

Was he removed in the interest of the third-term movement, or was it because the international bankers could not control him?

This is no time to deceive the people. They are entitled to the truth. [Applause.]

[Here the gavel fell.]

EXTENSION OF REMARKS

Mr. SECCOMBE. Mr. Speaker, I ask unanimous consent to extend my own remarks and to include therein a radio address given by Frank T. Bow on the subject Labor Versus "Fifth Column."

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. HOFFMAN. Mr. Speaker, I ask unanimous consent to extend my remarks in two particulars: One, permission to extend my own remarks; and the other to extend my own remarks and to include therein a letter and a list of names.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

TENNESSEE VALLEY AUTHORITY

Mr. McLEAN. 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. McLEAN. Mr. Speaker, it is stated with confidence by one of the Directors of the Tennessee Valley Authority that when the deficiency bill comes back here there will be an authorization for a new \$65,000,000 project, \$25,000,000 to be immediately available to build a new dam and a steam generating plant, all under the cloak of national defense.

In the tempo and anxiety of the times opportunities for leakage, wastefulness, and extravagance are unlimited. Against the plea of national defense resistance is difficult. In fact, any proposal labeled national defense is a signal for affirmative action. The T. V. A. has been quick to take advantage of such a situation. Until we know more about this project and until our committees investigate it, this request ought not to be granted. If experience proves anything, it is that T. V. A. proposals will bear examination.

The generosity of the Congress to the Tennessee Valley Authority prompts me to say that in times like these when financial stability is the first line of the national defense, the Tennessee Valley Authority ought not to make this request; but having made it, and having by its customary cupidity had it inserted into this bill in another body, it seems to me it is our obligation as patriotic Americans to refuse it. [Applause.]

[Here the gavel fell.]

EXTENSION OF REMARKS

Mr. VAN ZANDT. Mr. Speaker, I ask unanimous consent to extend my own remarks in the Appendix and to include therein a letter from the president of the National Coal Association.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. PITTENGER. Mr. Speaker, I ask unanimous consent to extend my own remarks in the Record and to include therein a short quotation.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. HAWKS. Mr. Speaker, I have two requests, one to extend my own remarks in the Record and to include an editorial appearing in the New York Herald Tribune entitled, "Our Galloping President," and the other request is to extend my own remarks in the Record.

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

There was no objection.

Mr. JOHNSON of Indiana. Mr. Speaker, I ask unanimous consent for two extensions of my remarks in the RECORD and to include certain tables from the Department of Commerce.

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

There was no objection.

Mr. WILLIAMS of Delaware asked and was given permission to extend his own remarks in the RECORD.

Mr. MUNDT. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include an editorial from my home-town newspaper.

The SPEAKER. Is there objection to the request of the gentleman from South Dakota [Mr. MUNDT]?

There was no objection.

PERMISSION TO ADDRESS THE HOUSE

Mr. FISH. 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 New York [Mr. FISH]?

There was no objection.

Mr. FISH. Mr. Speaker, in listening to the recent laudatory remarks I was almost persuaded that the war between the Republicans and Democrats was off. Perhaps that was the result of the recent coalition Cabinet. I want to say to my Republican friends, however, that it is only when there is great sickness, a desperate sickness, that there is a call for a transfusion of blood. Further, I want to say to my Republican friends that when Colonel Knox and Colonel Stimson, the two leading interventionists in the Republican Party, go into the Cabinet of the Democratic administration all it will do is confirm in the minds of the people that the Democratic Party is the interventionist party and under President Roosevelt is actually the war party in the United States. [Applause.]

[Here the gavel fell.]

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

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

There was no objection.

Mr. RAYBURN. Mr. Speaker, gentlemen on the Republican side, especially the gentleman from New York [Mr. FISH], have been groping for many months for an issue. They think for a moment that they have an issue, then within a fortnight it usually vanishes into thin air.

They now have seized upon the slogan or want to seize upon the slogan that the Republican Party is the peace party. Of course, if the Republican Party wants to be a peace-at-any-price party, it may have that plank with no contest. The members of the Republican Party are trying to create the impression upon the American people that in all probability the Democratic Party may be the war party.

The Democratic Party is not a peace-at-any-price party and never has been, nor have the people of the United States. [Applause.] The Democratic party at this time is not the war party, it will not be the war party, but it intends to be, wishes to be, and it will be the party for the defense of America and its great institutions. [Applause.]

[Here the gavel fell.]

EXTENSION OF REMARKS

Mr. THILL. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include two short newspaper articles.

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

There was no objection.

Mr. GEARHART. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include a brief Flag Day address delivered by the former national commander of the American Legion.

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

There was no objection.

Mr. SHAFER of Michigan. Mr. Speaker, I ask unanimous consent for two extensions of remarks, in one to include an editorial and the other to merely extend my own remarks in the RECORD.

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

There was no objection.

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

Mr. SMITH of Illinois. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include an article by the Librarian of Congress.

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

There was no objection.

REVENUE BILL OF 1940

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

The SPEAKER. Is there objection?

There was no objection.

Mr. CELLER. Mr. Speaker, the House passed a sensible tax bill. The Senate Finance Committee reported a sensible tax bill. But on yesterday or the day before, the Senate added on to that bill two very serious and highly detrimental amendments. Reading from the New York Times editorial may I say that one introduced by Senator LA FOLLETTE would impose in addition to the regular corporation income tax a surtax ranging up to 40 percent against profits in excess of 20 percent on invested capital. The editorial goes on to say that an amendment of that sort would keep invested capital or dollars that want to be invested in a sort of cyclone cellar, it would depreciate the value of the dollar, and it would to that extent injure national defense.

TAX MISTAKES MADE BY THE OTHER BODY

The Senate bill would interfere indirectly with the financial equilibrium of the Nation. The House bill generally and appropriately advanced taxes 10 percent. The Nation is perfectly willing to accept this additional tax burden. It does this for the sake of defense. It is unwilling, however, to accept an improper and unjust tax burden. The so-called La Follette amendment provides a thoroughly unfair tax burden. It seeks to impose, in addition to the regular corporate-income tax, a heavy surtax ranging as high as 40 percent against profits that might exceed 20 percent on invested capital. This so-called excess-profits tax is on a parity as far as unfairness and injustice is concerned with the now dead undistributed-profits tax. We "kicked" that tax "out of the window." We should "kick" this new proposition likewise "out of the window."

What is invested capital? I defy any man here to define it or determine it. Furthermore, if we cannot define it logically and justly and must leave it to the arbitrary definitions of tax gatherers, see what havoc will be created.

Furthermore, this tax bill is a bill to aid national defense. What in thunder connection can there be between earnings in invested capital and defense? There is no relation whatsoever.

Amendments of this character discourage the Nation in putting money into old or even into new enterprises. It is very easy for a corporation to lose vast sums of money in any one year. To be successful it must set aside reserves yearly from its profits. It cannot set aside adequate reserves to offset huge and unpredicted losses in any one year if you have taxes of the type to be covered by the La Follette amendment. This is the kind of tax that kills the goose that lays the golden egg. To paraphrase the simile, it takes the powder out of national defense.

There was another amendment offered by the gentleman from Texas, Senator CONNALLY, which was just as obnoxious as the La Follette amendment. It would impose a long and harsh set of taxes, effective automatically upon the declara-

tion of war. "It would," and I again quote the New York Times editorial—

Increase corporation taxes and jump the normal income tax rate to 10 percent and surtaxes on individual incomes in the higher brackets to 80 percent. It is not necessary to raise the question now whether this would be a good war-tax measure or not. But it is clearly unwise to adopt in advance any hypothetical measure to go into effect automatically on a declaration of war. A war-tax measure could be passed quickly enough if war should actually come. But a "when and if" tax measure of this sort, passed in advance, is not taken seriously enough at the time of its passage to get the study it demands. The Senate, in fact, passed this measure without thinking it worth while to study it at all. Defense calls for drastic taxation; but it also calls for careful taxation; for what is most important in war is maximum production for its prosecution, and any tax that imperils that end defeats its own purpose.

[Here the gavel fell.]

RELIEF AND WORK RELIEF APPROPRIATION BILL, 1941—CONFERENCE REPORT

Mr. CANNON of Missouri. Mr. Speaker, I call up the conference report on the joint resolution (H. J. Res. 544) making appropriations for work relief and relief for the fiscal year ending June 30, 1941, and ask unanimous consent that the statement be read in lieu of the report.

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

There was no objection.

Mr. CANNON of Missouri. Pending the reading of the statement, Mr. Speaker, may I say that there is only one amendment in disagreement. I believe there is little difference of opinion on the conference report itself, so it is my hope, if it is agreeable to the gentlemen on the other side, that we can debate the conference report for a few minutes, after which I will move the previous question on the conference report, and then give one full hour to debate on the amendment in disagreement. I wonder if that would be agreeable to the gentleman from New York.

Mr. TABER. Does not the gentleman believe we perhaps ought to extend that hour on the amendment a little?

Mr. CANNON of Missouri. All the applications for time I have had from both sides up to this time aggregate 55 minutes.

Mr. TABER. If that is so, that is all right.

The Clerk read the statement.

The conference report and statement are as follows:

CONFERENCE REPORT

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to (H. J. Res. 544) making appropriations for work relief and relief for the fiscal year ending June 30, 1941, 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 amendments numbered 2, 3, 4, 35, 41, 43, 44, 51, 57, 58, 62, and 63.

That the House recede from its disagreement to the amendments of the Senate numbered 1, 5, 19, 20, 22, 23, 24, 25, 27, 29, 31, 32, 33, 34, 36, 37, 38, 39, 40, 46, 49, 53, 54, 64, 65, 66, and 67; and agree to the same.

Amendment numbered 6: That the House recede from its disagreement to the amendment of the Senate numbered 6, and agree to the same with an amendment, as follows: In lieu of the matter inserted by said amendment insert the following: " : *Provided further*, That not to exceed \$25,000,000 of funds herein appropriated to the Work Projects Administration may be used by the Commissioner to supplement the amounts so authorized for other than labor costs in any State, Territory, possession, or the District of Columbia in connection with the prosecution of projects which have been certified by the Secretary of War and the Secretary of the Navy, respectively, as being important for military or naval purposes"; and the Senate agree to the same.

Amendment numbered 7: That the House recede from its disagreement to the amendment of the Senate numbered 7, and agree to the same with an amendment, as follows: In lieu of the matter inserted by said amendment insert the following: " : *Provided*, That the provisions of this subsection shall not apply to projects (1) which have been certified by the Secretary of War and the Secretary of the Navy, respectively, as being important for military or naval purposes, or (2) which authorize necessary temporary measures to avert danger to life, property, or health in the event of disaster or grave emergency caused by flood, storm, fire, earthquake, drought, or similar cause"; and the Senate agree to the same.

Amendment numbered 8: That the House recede from its disagreement to the amendment of the Senate numbered 8, and agree

to the same with an amendment, as follows: In lieu of the sum proposed insert "\$41,534,000"; and the Senate agree to the same.

Amendment numbered 9: That the House recede from its disagreement to the amendment of the Senate numbered 9, and agree to the same with an amendment, as follows: In lieu of the sum proposed insert "\$34,105,000"; and the Senate agree to the same.

Amendment numbered 10: That the House recede from its disagreement to the amendment of the Senate numbered 10, and agree to the same with an amendment, as follows: In lieu of the sum proposed insert "\$612,750"; and the Senate agree to the same.

Amendment numbered 11: That the House recede from its disagreement to the amendment of the Senate numbered 11, and agree to the same with an amendment, as follows: In lieu of the sum proposed insert "\$3,610,000"; and the Senate agree to the same.

Amendment numbered 12: That the House recede from its disagreement to the amendment of the Senate numbered 12, and agree to the same with an amendment, as follows: In lieu of the sum proposed insert "\$437,000"; and the Senate agree to the same.

Amendment numbered 13: That the House recede from its disagreement to the amendment of the Senate numbered 13, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "\$30,875,000"; and the Senate agree to the same.

Amendment numbered 14: That the House recede from its disagreement to the amendment of the Senate numbered 14, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "\$25,626,250"; and the Senate agree to the same.

Amendment numbered 15: That the House recede from its disagreement to the amendment of the Senate numbered 15, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "\$418,000"; and the Senate agree to the same.

Amendment numbered 16: That the House recede from its disagreement to the amendment of the Senate numbered 16, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "\$2,536,500"; and the Senate agree to the same.

Amendment numbered 17: That the House recede from its disagreement to the amendment of the Senate numbered 17, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "\$323,000"; and the Senate agree to the same.

Amendment numbered 18: That the House recede from its disagreement to the amendment of the Senate numbered 18, and agree to the same with an amendment, as follows: In lieu of the sum proposed insert "\$59,000,000"; and the Senate agree to the same.

Amendment numbered 21: That the House recede from its disagreement to the amendment of the Senate numbered 21, and agree to the same with an amendment, as follows: In lieu of the matter inserted by said amendment, insert the following:

"(c) In order to furnish the Secretary of Agriculture with additional funds for the purpose of making rural rehabilitation loans to needy farmers, the Reconstruction Finance Corporation is authorized and directed, until June 30, 1941, to make advances to the Secretary of Agriculture upon his request in an aggregate amount of not to exceed \$125,000,000. Such advances shall be made: (1) with interest at the rate of 3 per centum per annum payable semiannually; (2) upon the security of obligations acceptable to the Corporation heretofore or hereafter acquired by the Secretary pursuant to law; (3) in amounts which shall not exceed 75 per centum of the then unpaid principal amount of the obligations securing such advances; and (4) upon such other terms and conditions, and with such maturities, as the Corporation may determine. The Secretary of Agriculture shall pay to the Corporation, currently as received by him, all moneys collected as payments of principal and interest on the loans made from the amounts so advanced, or collected upon any obligations held by the Corporation as security for such advances, until such amounts are fully repaid. The amount of notes, debentures, bonds, or other such obligations which the Corporation is authorized and empowered to issue and to have outstanding at any one time under the provisions of law in force on the date this subsection takes effect is hereby increased by an amount sufficient to carry out the provisions of this subsection."

And the Senate agree to the same.

Amendment numbered 21: That the House recede from its disagreement to the amendment of the Senate numbered 26, and agree to the same with an amendment, as follows: Restore the matter stricken out by said amendment to read as follows:

"No loan shall be made under this section to any person to enable him to subscribe or pay for stock or membership in any cooperative association or branch thereof not organized or in existence on the date of enactment of this joint resolution."

And the Senate agree to the same.

Amendment numbered 28: That the House recede from its disagreement to the amendment of the Senate numbered 28, and agree to the same with an amendment, as follows: In lieu of the sum proposed insert "\$4,000,000"; and the Senate agree to the same.

Amendment numbered 30: That the House recede from its disagreement to the amendment of the Senate numbered 30, and agree to the same with an amendment, as follows: In lieu of the matter inserted by said amendment insert the following: " ; and (4) subject to the approval of the President, for projects involving rural rehabilitation of needy persons: *Provided*, That the cost (including all overhead expenses) of any dwelling or any other building the construction of which is hereafter undertaken in

connection with such rural rehabilitation shall not exceed \$750 and \$400, respectively"; and the Senate agree to the same.

Amendment numbered 42: That the House recede from its disagreement to the amendment of the Senate numbered 42, and agree to the same with an amendment, as follows: In lieu of the sum proposed insert: "\$750,000"; and the Senate agree to the same.

Amendment numbered 45: That the House recede from its disagreement to the amendment of the Senate numbered 45, and agree to the same with an amendment, as follows: In lieu of the matter inserted by said amendment insert the following:

"Sec. 11. None of the funds made available by this joint resolution shall be expended on the construction of any building (1) the total estimated cost of which, in the case of a Federal building, exceeds \$100,000, or (2) the portion of the total estimated cost of which payable from Federal funds, in the case of a non-Federal building, exceeds \$100,000, unless the building is one (a) for which the project has been approved by the President on or prior to May 15, 1940, or for which an issue of bonds has been approved at an election held on or prior to such date, or for which a State legislature has made an appropriation on or prior to such date, or (b) for the completion of which funds have been allocated and irrevocably set aside under prior relief appropriation Acts: *Provided*, That the provisions of this section shall not apply to any projects which have been certified by the Secretary of War and the Secretary of the Navy, respectively, as being important for military or naval purposes."

And the Senate agree to the same.

Amendment numbered 47: That the House recede from its disagreement to the amendment of the Senate numbered 47, and agree to the same with an amendment, as follows: In lieu of the matter inserted by said amendment insert the following: "on projects certified as hereinbefore provided as being important for military or naval purposes"; and the Senate agree to the same.

Amendment numbered 48: That the House recede from its disagreement to the amendment of the Senate numbered 48, and agree to the same with an amendment, as follows: In lieu of the matter inserted by said amendment insert the following:

"Sec. 15. (a) In employing or retaining in employment on Work Projects Administration work projects, preference shall be determined, as far as practicable, on the basis of relative needs and shall, where the relative needs are found to be the same, be given in the following order: (1) Veterans of the World War and the Spanish-American War and veterans of any campaign or expedition in which the United States has been engaged (as determined on the basis of the laws administered by the Veterans' Administration except that discharged draft enrollees other than those with service-connected disability shall not be considered as veterans for the purposes of this subsection) and unmarried widows of such veterans and the wives of such veterans as are unemployed who are in need and are American citizens; and (2) other American citizens, Indians, and other persons owing allegiance to the United States who are in need."

And the Senate agree to the same.

Amendment numbered 50: That the House recede from its disagreement to the amendment of the Senate numbered 50, and agree to the same with an amendment, as follows: Omit the matter stricken out and omit the matter inserted by said amendment; and the Senate agree to the same.

Amendment numbered 52: That the House recede from its disagreement to the amendment of the Senate numbered 52, and agree to the same with an amendment, as follows: In lieu of the matter inserted by said amendment insert the following: "(e)"; and the Senate agree to the same.

Amendment numbered 55: That the House recede from its disagreement to the amendment of the Senate numbered 55, and agree to the same with an amendment, as follows: In lieu of the matter inserted by said amendment insert the following: "(f)"; and the Senate agree to the same.

Amendment numbered 56: That the House recede from its disagreement to the amendment of the Senate numbered 56, and agree to the same with an amendment, as follows: In lieu of the matter inserted by said amendment insert the following: "(g)"; and the Senate agree to the same.

Amendment numbered 59: That the House recede from its disagreement to the amendment of the Senate numbered 59, and agree to the same with an amendment, as follows: In lieu of the matter inserted by said amendment insert the following: "in an amount exceeding \$100,000"; and the Senate agree to the same.

Amendment numbered 60: That the House recede from its disagreement to the amendment of the Senate numbered 60, and agree to the same with an amendment, as follows: In lieu of the matter inserted by said amendment insert the following: "(except as provided in section 15 (f))"; and the Senate agree to the same.

Amendment numbered 61: That the House recede from its disagreement to the amendment of the Senate numbered 61, and agree to the same with an amendment, as follows: In lieu of the matter inserted by said amendment insert the following: "section 15 (f) and"; and the Senate agree to the same.

Amendment numbered 69: That the House recede from its disagreement to the amendment of the Senate numbered 69, and agree to the same with an amendment, as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert the following:

"Sec. 40. (a) The President is hereby authorized through such agency or agencies as he may designate to purchase exclusively in

the United States and to transport, and to distribute as hereinafter provided, agricultural, medical, and other supplies for the relief of refugee men, women, and children, who have been driven from their homes or otherwise rendered destitute by hostilities or invasion. When so purchased, such materials and supplies are hereby authorized to be distributed by the President through the American Red Cross or such governmental or other agencies as he may designate.

"(b) There is hereby appropriated, out of any money in the Treasury not otherwise appropriated, the sum of \$50,000,000, to be available until June 30, 1941, for carrying out the purposes of this section, including the cost of such purchases, the transportation to point of distribution, and distribution, administrative and other costs, but not including any administrative expense incurred by any nongovernmental agency.

"(c) Any governmental agency so designated to aid in the purchase, transportation or distribution of any such materials and supplies may expend any sums allocated to it for such designated purposes without regard to the provisions of any other act.

"(d) On or before June 30, 1941, the President shall submit to the Congress an itemized and detailed report of the expenditures and activities made and conducted under the authority contained in this section."

And the Senate agree to the same.

Amendment numbered 70: That the House recede from its disagreement to the amendment of the Senate numbered 70, and agree to the same with an amendment, as follows: In lieu of the matter inserted by said amendment insert the following:

"Sec. 41. There is hereby appropriated, out of any money in the Treasury not otherwise appropriated, for the fiscal year 1941, the sum of \$50,000,000 to be used by the Secretary of Agriculture for the purpose of effectuating the provisions of section 32 of the Act entitled 'An act to amend the Agricultural Adjustment Act, and for other purposes', approved August 24, 1935, as amended, such sum to be in addition to any funds appropriated by such section 32 and to be subject to all the provisions of law relating to the expenditure of such funds."

And the Senate agree to the same.

The committee of conference report in disagreement amendment numbered 68.

EDWARD T. TAYLOR,
CLARENCE CANNON,
C. A. WOODRUM,
LOUIS LUDLOW,
J. BUELL SNYDER,
EMMETT O'NEAL,
GEORGE W. JOHNSON,

Managers on the part of the House.

ALVA B. ADAMS,
KENNETH MCKELLAR,
CARL HAYDEN,
JAMES F. BYRNES,
FREDERICK HALE,
JOHN G. TOWNSEND, Jr.,

Managers on the part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the joint resolution (H. J. Res. 544) entitled "Joint resolution making appropriations for work relief and relief, for the fiscal year ending June 30, 1941," submit the following statement in explanation of the effect of the action agreed upon and recommended in the accompanying conference report as to each of such amendments, namely:

On No. 1: This amendment eliminates the provision of the House bill which established a schedule of average monthly employment of relief workers for the months of July, August, September, October, and November, 1940, in the event that the President, under the authority contained in section 1 (a) of the bill, appropriates the funds appropriated by such section over a period of less than 12 months. The House recedes.

On No. 2: This amendment includes refrigerated cold-storage plants within the enumeration of the types of projects for which funds appropriated to the Work Projects Administration under section 1 (a) are to be available. The Senate recedes.

On No. 3: This amendment provides that the funds appropriated to the Work Projects Administration under section 1 (a) of the bill may be used to furnish office quarters in connection with projects for refrigerated cold-storage plants and electric transmission and distribution lines or systems enumerated in section 1 (b). The Senate recedes.

On No. 4: This amendment includes within the enumeration of the projects under section 1 (b) training for manual occupations in industries engaged in production for national-defense purposes. The Senate recedes.

On No. 5: The House bill included within the enumeration of projects in section 1 (b) "miscellaneous projects, which shall include drought conditions." The Senate amendment strikes out "which shall include drought conditions." The House recedes.

On No. 6: This amendment provides that not to exceed \$25,000,000 of the funds appropriated to the Work Projects Administration may be used to supplement the amounts authorized to be expended for other than labor costs in any State, Territory, possession, or the District of Columbia in connection with projects certified by the Secretary of War or the Secretary of the Navy

as being "important to the national defense." The conference agreement accepts this provision and modifies it so that it relates to projects certified as being "important for military or naval purposes."

On No. 7: Section 1 (d) of the House bill provides that on and after January 1, 1940, in administering funds for the Work Projects Administration not to exceed three-fourths of the total cost of all non-Federal projects approved after such date which are undertaken within any State, Territory, possession, or the District of Columbia shall be borne by the United States and not less than one-fourth of such total cost shall be borne by the State and its political subdivisions or by the Territory, possession, or the District of Columbia, as the case may be. This Senate amendment exempts from this requirement projects which have been certified by the Secretary of War or by the Secretary of the Navy as being "important to the national defense" and projects which authorized necessary temporary measures to avert danger to life, property, or health in the event of disaster or grave emergency caused by flood, storms, fire, earthquake, drought, or similar cause. The conference agreement adopts the provision of the Senate amendment with clarifying changes and the modification that the projects with respect to which such certification is required shall be those certified as being "important for military or naval purposes."

On Nos. 8, 9, 10, 11, 12, 13, 14, 15, 16, and 17: Amendment No. 8 increases the aggregate amount which may be obligated for administrative expenses of the Work Projects Administration in the District of Columbia and in the field from \$39,348,000 to \$43,720,000. Amendments Nos. 9 to 12, inclusive, provide for increasing the specific items for which the amount provided by amendment No. 8 is to be used as follows: Salaries, from \$32,310,000 to \$35,900,000; communication service, \$580,500 to \$645,000; travel, \$3,420,000 to \$3,800,000; and printing and binding, \$414,000 to \$460,000. In the event that the President apportions the funds appropriated by section 1 (a) over a period of less than 12 months, amendment No. 13 provides that the amount which may be obligated for such administrative expenses is not to exceed \$32,500,000 in lieu of \$29,250,000; and amendments Nos. 14, 15, 16, and 17 provide for the following increases: Salaries, from \$24,277,500 to \$26,975,000; communication service, \$396,000 to \$440,000; travel, \$2,403,000 to \$2,670,000; and printing and binding, \$306,000 to \$340,000. The conference agreement reduces the amount of the increases made by these Senate amendments by 50 percent in each case.

On Nos. 18 and 21: The House bill appropriated \$115,000,000 to the Department of Agriculture for assistance through rural rehabilitation to needy farmers and relief to other needy persons. The Senate amendment No. 18 reduces this appropriation to \$75,000,000, but amendment No. 21 provides additional funds for rehabilitation loans to needy farmers by directing the Reconstruction Finance Corporation to make advances for such purpose to the Secretary of Agriculture until June 30, 1941, in an aggregate amount of not to exceed \$125,000,000. The conference agreement reduces the amount provided in amendment No. 18 to \$59,000,000, but retains the provisions of amendment No. 21 with clarifying changes.

On Nos. 19, 53, and 54: These are clarifying amendments. The House recedes.

On No. 20: This amendment increases from \$6,000,000 to \$7,500,000 the maximum amount of the appropriation to the Department of Agriculture under section 2 (a) that may be used for administration. The House recedes.

On Nos. 22 and 23: These amendments are clerical changes in subsection letters. The House recedes.

On Nos. 24 and 25: These Senate amendments make certain clarifying changes in the provisions of the House bill relating to loans by the Secretary of Agriculture, and impose a penalty for willful violation of such provisions which corresponds to that in other statutes providing for agricultural loans by agencies in the Department of Agriculture. The House recedes.

No. 26: The Senate struck out the House provision prohibiting any loan from being made by the Secretary of Agriculture to any person to enable such person to subscribe or pay for stock or membership in any cooperative association. The conference agreement restores the House provision modified so that the prohibition only extends to loans for the procurement of membership in any cooperative association or branch thereof not organized or in existence on the date of the enactment of the joint resolution.

On Nos. 27 and 30: These amendments add to the enumeration of projects for which the appropriation to the Puerto Rico Reconstruction Administration may be used, projects approved by the President involving rural rehabilitation for needy persons. The House recedes on amendment No. 27, and the conference agreement retains the provisions of amendment No. 30 with a limitation that the total cost of any dwelling or other building hereafter constructed in connection with rural rehabilitation should not exceed \$750 and \$400, respectively.

On No. 28: This amendment increases from \$3,500,000 to \$5,000,000 the amount appropriated to the Puerto Rico Reconstruction Administration. The conference agreement fixes the amount at \$4,000,000.

On No. 29: This is a technical amendment made necessary by amendment No. 30.

On Nos. 31, 32, 33, and 34: These amendments provide for establishing special or separate industry committees to recommend the minimum rate or rates of wages to be paid under the Fair Labor Standards Act of 1938 to employees (including home workers and piece workers) in Puerto Rico or the Virgin Islands,

or both, who are engaged in commerce or in the production of goods for commerce. They also provide that wage orders issued by the Administrator pursuant to the recommendation of any such committee are to supersede orders under existing law. There is also a limitation that no minimum-wage rate may be recommended or approved which will give any industry in Puerto Rico or the Virgin Islands a competitive advantage over any industry in the United States. The House recedes.

On No. 35: This statement provides that the appropriation of \$1,700,000 for the Bureau of Indian Affairs may be apportioned by the President for a lesser period than 12 months (but not less than 8 months) if in his judgment such action is required to meet unemployment conditions during such lesser period. The Senate recedes.

On Nos. 36, 37, 38, 39, and 40, relating to administrative agencies: These amendments increase the amounts for bureaus of the Treasury Department for administrative expenses in connection with carrying out the provisions of the joint resolution as follows: Procurement Division, from \$3,225,000 to \$3,400,000; Division of Disbursement, from \$1,724,516 to \$1,954,516; and Office of Commissioner of Accounts and Deposits from \$3,827,400 to 4,628,841; they also preserve the existing State geographical distribution of field offices engaged under these appropriations in the functions of procurement, disbursing, and accounting for relief activities. The House recedes.

On No. 41: Makes a technical correction in connection with an administrative agency. The Senate recedes.

On No. 42: The Senate appropriated \$830,000 for the Office of Government Reports, and the House bill carries \$500,000. The conference agreement recommends \$750,000.

On No. 43: The House bill carried authority for the Commissioner of Work Projects to allocate from Work Projects Administration funds not to exceed \$40,000,000 for Federal projects. The Senate reduced this amount to \$20,000,000. The Senate recedes.

On No. 44: The House bill carries a provision in connection with sponsors' contributions to Work Projects Administration projects requiring that the rules and regulations for carrying such sponsorship requirements into effect shall allow credit in the valuation of sponsors' contributions in kind only to the extent that such contributions represent a financial burden which is undertaken by the sponsor on account of W. P. A. sponsored projects. The Senate struck this provision out and the Senate recedes.

On No. 45: This amendment limits the amount that may be expended on any Federal building project to \$100,000, and the amount for any non-Federal building project to \$100,000 from Federal funds, but exempts from such prohibition projects approved by the President prior to May 15, 1940, those for which an issue of bonds has been approved at an election held on or prior to such date, those for which funds have been allocated and set aside under prior relief appropriation acts and those which the Secretary of War and the Secretary of the Navy have certified as being important to the national defense. The conference agreement accepts the Senate amendment modified so as to add to the exemptions from the cost limitation, projects for which a State legislature has made an appropriation on or prior to May 15, 1940, and to define projects "important to the national defense" as those which are important for "military or naval purposes."

On No. 46: The House section dealing with hours of work and the earning schedule of W. P. A. workers contains provision that the Commissioner of Work Projects shall reduce the required 130 hours of work per month of W. P. A. workers to not to exceed 65 hours in the case of relief workers with no dependents and shall correspondingly reduce their earnings. The Senate struck out this provision and restored the authority in the current law, making it permissive for the Commissioner to require a lesser number of hours per month for such workers and reduce their pay accordingly. The House recedes.

On No. 47: This amendment authorizes the Commissioner to make exemptions from the limitations of section 14 (a) on monthly earnings and hours of work on projects determined to be of "value to the national defense." The conference agreement authorizes such exemptions on projects certified by the Secretary of War or the Secretary of the Navy as being "important for military or naval purposes."

On No. 48: The House provision in section 15 (a) requires that the determination of employment or retention in employment on W. P. A. work projects shall be on the basis of relative need, establishes the order of preference on that basis, and follows closely the provision of the current law dealing with the same subject, except that it gives to the unmarried widows of veterans and to the wives of such veterans as are unemployable the same status as veterans and is also designed to exclude from a status as veterans the World War discharged draft enrollees; the House provision also includes a requirement that W. P. A. employment shall be given on a part-time basis to veterans, their widows, or wives, sufficient to make their income equal to the income from a full-time W. P. A. employment if their income from other governmental sources should be less than income from a full-time W. P. A. employment.

The Senate struck out the House provision and inserted a substitute which gives, without regard to their respective relative needs as between themselves or in relation to others, preference to veterans, their wives, or widows; the Senate provision does not include the House provision relative to part-time employment for those in the veterans' classification, but includes the veterans' status for discharged draft enrollees who were excluded from that

classification by the House bill; the Senate provision also requires that employment shall be given by regions so far as practicable and feasible.

The conference agreement recommends a substitute for both House and Senate language; it restores the current law on this subject which provides that employment and retention in employment shall be given on the basis of relative need, and shall, where the relative needs are found to be the same, be given first to veterans and then to others; the substitute provision modifies the current law, however, to include the features of the House and Senate provisions giving to the unmarried widows of veterans and the wives of such veterans as are unemployable the same status as veterans, and to exclude discharged draft enrollees from a status as veterans, except such draftees as have a service-connected disability.

On No. 49: This is a technical amendment. The House recedes.

On No. 50: This amendment eliminates the provision of the House bill which exempted from the requirements relating to removal from the relief rolls of heads of families 45 years of age or older with either a dependent spouse or one or more dependent parents or minor children. It added to the exempt classes relief workers who have made reasonable effort and have not been able to secure private employment. The conference agreement eliminates both provisions.

On No. 51: This amendment makes available \$5,000,000 of the appropriation for prosecution of public projects for use by the Commissioner in aiding in investigating and certifying employable persons for employment on Work Projects Administration projects. The Commissioner is also to approve the methods or plans for such service in each case, and there is a limitation that the aid to any State or agency is not to exceed one-third of the estimated cost of such service. The determinations of the Commissioner are to be final. The Senate recedes.

On Nos. 52, 55, and 56: These amendments are clerical changes in subsection letters. The conference agreement makes further changes made necessary by the Senate recession on amendment numbered 51.

On Nos. 57 and 58: These amendments strike out the limitation in the House bill that none of the funds made available shall be used for the operation of any theater project, and make a clerical change. The Senate recedes.

On No. 59: This amendment qualifies the limitation of the House bill that no part of the funds made available shall be used for radio broadcasting so that the limitation applies to radio broadcasting "time." The conference agreement limits the amount which may be used for radio broadcasting to \$100,000, and eliminates the word "time."

On Nos. 60 and 61: These are technical amendments made necessary by amendment numbered 51. The conference agreement makes the necessary changes resulting from the action on such amendment.

On Nos. 62, 63, 64, and 65: Section 33 of the House bill prohibits the use of the funds in the joint resolution, either by Federal or non-Federal agencies, for purchasing, establishing, relocating, or expanding mills, factories, stores, or plants which would manufacture, handle, process, or produce articles, commodities, or products (other than those derived from the first processing of sweet-potatoes) in competition with existing industries. The Senate amended the House provision so as to eliminate "stores" from the category of establishments enumerated, to eliminate "handle" and "process" from the category of enumerated operations of the establishments, inserted the words "for sale" which changed the meaning of the House provision from one of prohibition against "manufacturing, handling, processing, or producing" in competition with existing industries to one of "manufacturing or producing for sale" in competition with existing industries; and also included the first processing of naval-stores products among the exemptions.

As a result of the conference agreement, the words "stores", "handle", and "process", stricken out by the Senate, are placed back in the bill, the words "for sale" inserted by the Senate are retained, and naval-stores products are added to the exemption from the operation of the section.

The section as agreed upon will, therefore, prohibit the use of the funds in the joint resolution, either by Federal or non-Federal agencies, for purchasing, establishing, relocating, or expanding mills, factories, stores, or plants which would manufacture, handle, process, or produce articles, commodities, or products for sale in competition with existing industries but would not prohibit such use of the funds, if otherwise lawful under the terms of the joint resolution, and the articles, commodities, or products are not for sale in competition with existing industries.

On No. 66: The Senate amendment provides for the appointment by the President, by and with the advice and consent of the Senate, of any administrator or other officer named to have general supervision at the seat of Government over the work and program contemplated under the appropriations if the salary received under the appropriations is \$5,000 or more per annum; and for the appointment of any State or regional administrator receiving such a salary, except those now serving as such under other law. Section 1761 of the Revised Statutes is not to apply to such an appointee. His salary may not be increased within a period of 6 months after confirmation. The House accepts the Senate amendment.

On No. 67: Section 38, inserted by the Senate, authorizes the President to provide such training within the Civilian Conserva-

tion Corps for enrollees thereof in noncombatant subjects essential to the operation of the Military and Naval Establishments as he considers may contribute materially to the national defense. The House recedes.

On No. 69: This amendment appropriates \$50,000,000 to be expended by the President, through such agencies as he may designate, for the purchase in the United States of agricultural, medical, and other supplies for the relief of war refugees. Distribution is to be made through the American Red Cross or such governmental or other agencies as the President may designate, and the costs of such distribution are to be paid out of the appropriation. The President is to make an itemized report to the Congress on or before January 3, 1941. The conference agreement adopts the provisions of the Senate amendment with clarifying changes, provides that administrative costs and costs of purchases, distribution, and transportation to the point of distribution are to be paid out of the appropriation (exclusive of administrative expenses of any nongovernmental agency), makes the appropriation available to June 30, 1941, and requires the report of the President to be made on or before such date, and provides that any governmental agency so designated by the President may expend any sums allocated to it for the purposes of the section without regard to the provisions of any other act.

On No. 70: The Senate amendment appropriates an additional \$100,000,000 for disposal of surplus agricultural commodities in accordance with the provisions of section 32 of the Agricultural Adjustment Act, as amended. The conference agreement recommends an appropriation of \$50,000,000, and modifies the Senate language so that the appropriation of \$50,000,000 will be subject to all of the provisions of law relating to the expenditure of the funds appropriated by section 32.

Amendment in disagreement

The committee of conference report in disagreement Senate Amendment No. 68 relating to the Tennessee Valley Authority.

EDWARD T. TAYLOR,
CLARENCE CANNON,
C. A. WOODRUM,
LOUIS LUDLOW,
J. BUELL SNYDER,
EMMET O'NEAL,
GEO. W. JOHNSON,

Managers on the Part of the House.

Mr. CANNON of Missouri. Mr. Speaker, with this conference report we present one of the most satisfactory relief bills ever submitted to the House. Notwithstanding the fact that it contains some of the most controversial subjects that have come before the House at this session, the conferees have reached agreement on every item in the bill with the single exception of the one item on the T. V. A. We bring that back because we feel that in view of its long consideration by the legislative committee having jurisdiction in the House, there should be opportunity for consideration and debate before final action is taken on its disposition in a bill of this character.

The bill as it passed the House aggregated \$1,111,000,000. As it passed the Senate it had been increased to \$1,224,000,000, and as recommended for final action in this conference report it totals \$1,157,000,000. In other words, while the conference report recommends an increase to \$45,000,000 over the House figures, that is \$67,000,000 less than the figure proposed by the Senate. This, of course, is exclusive of the \$125,000,000 authorized for rehabilitation loans from Reconstruction Finance Corporation funds. With these modifications, as agreed to by the managers on the part of the two Houses, we trust the bill will be generally satisfactory to the Members of the House.

By way of brief recapitulation of the salient features of the report, as agreed to in conference, we struck from the bill the provision for monthly apportionment. This was done on the theory that the provisions of the bill for administration should be more elastic and more readily adjustable to the emergency needs of the country, and in the hope that the number of men absorbed by private industry would increase to a point where it would not be necessary to employ the full quota as apportioned in the House provision. There is every reason to believe that the relief burden throughout the country will be greatly lightened by the fact that we are providing at this session of Congress more than \$5,000,000,000 in cash and in contract authorizations to carry out the defense program. This ought to take up large quantities of surplus labor and to that extent reduce the number of men for whom provision must be made from the funds carried in the relief bill.

We also give preferment for projects certified by the Secretary of War and the Secretary of the Navy for national defense, \$25,000,000 to be available for other than labor costs in important projects for naval and military purposes; such projects to be exempt from the 25-percent requirement on sponsor's contributions; and in such national emergencies as flood, fire, drought, and similar disasters.

With regard to the limit of cost on buildings constructed by W. P. A., the conference report imposes a limitation of \$100,000 on the construction costs of all buildings. The current law places a cost limit of \$50,000 on such Federal projects and \$52,000 on non-Federal projects. Under the provisions of the bill as modified in conference, the limit is now \$100,000 on both Federal and non-Federal projects.

To the relative-need provision, which was subjected to amendment in the House, we restore in the conference report the provisions of the current law with the exception that we include in the exemption widows of veterans and the wives of unemployable veterans. Otherwise the bill follows the current law.

The 18-month clause, which was variously amended in both the House and the Senate, is reported by the conferees after considerable consideration in the form in which it was sent by the House to the Senate, with the single exception that the amendment added in the House exempting heads of families over 45 years of age is eliminated.

On farm security it will be recalled that the House appropriated \$115,000,000 cash, and the Senate provided authorization for loans of \$125,000,000 from the Reconstruction Finance Corporation. As finally written, the House appropriation is reduced to the Budget estimate of \$59,000,000 cash, and the authorization for loans of \$125,000,000 from the Reconstruction Finance Corporation is retained, making a total provision for farm security of \$184,000,000.

In view of the fact that some apprehension was expressed when the item was up for consideration on the floor of the House that provision for this purpose would be inadequate, it may be noted that the \$184,000,000 is in lieu of an item of \$161,500,000 for the year 1940, the current year, and \$180,000,000 for the year 1939—last year. In other words, we provide in the bill, as amended by the conference report, \$23,000,000 more for 1941 than for the current year and \$4,000,000 more than for the year 1939.

The provision relative to the purchasing of memberships in cooperatives—a prohibition which was inserted by amendment in the House and which the Senate struck from the bill—was retained, with the limitation that the funds should not be provided for the purchase of membership in any cooperatives which might be established in the future, but the prohibition would not apply to cooperatives now in existence.

On the Fair Labor Standards Act, as applied to Puerto Rico and the Virgin Islands, an agreement was reached which seems to meet the needs of the situation. You will recall that there was general agreement that there was need for some sort of readjustment with respect to Puerto Rico and the Virgin Islands, but it was generally conceded that these readjustments ought not to interfere with the law as administered in the United States. I will read from the statement on the conference report the paragraph on that provision involving amendments Nos. 31, 32, 33, and 34:

These amendments provide for establishing special or separate industry committees to recommend the minimum rate or rates of wages to be paid under the Fair Labor Standards Act of 1938 to employees (including home workers and piece workers) in Puerto Rico or the Virgin Islands, or both, who are engaged in commerce or in the production of goods for commerce. They also provide that wage orders issued by the administrator pursuant to the recommendation of any such committee are to supersede orders under existing law. There is also a limitation that no minimum wage rate may be recommended or approved which will give any industry in Puerto Rico or the Virgin Islands a competitive advantage over any industry in the United States.

A subject which has been under general recent discussion and which has been much discussed in the newspapers in the last 3 or 4 days is that of noncombatant training for C. C. C. enrollees. The conference report recommends a provision

under which C. C. C. enrollees shall receive training in cooking, baking, engineering, communications, and similar subjects which would be of advantage in peacetime pursuits after discharge from the camps and which, at the same time, would, if unexpectedly it should be necessary to call them to service in the Army, be of great service both to the men and to the Nation in time of war. There is no provision here which would induct them into military service in time of war and, of course, as a matter of fact, they could not be inducted into the service unless Congress should so enact or unless they volunteered, and there is no implication or requirement of any kind whatsoever that the boys receiving this training shall occupy any different status in time of war or in time of peace as result of this legislation.

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

Mr. CANNON of Missouri. I yield to the distinguished gentleman from Arizona.

Mr. MURDOCK of Arizona. I did not quite understand the gentleman's statement just made as to how much money was to be furnished to the C. C. C. for that particular training. I am very much interested in the nature of that training also. Was that made clear?

Mr. CANNON of Missouri. The idea has gone abroad that any reference to the "training" of C. C. C. boys means military training, such training as is given in countries which invoke compulsory military training. This training is in no sense military training, but is merely basic training which will fit these boys for a profession in industry when they leave the C. C. C. and go back into civilian life. No especial amount of money is provided for the purpose and none is needed. It is in connection with the other work of the camps and is out of funds already provided, with facilities already furnished, and under the direction of personnel already in the service.

Mr. MURDOCK of Arizona. This basic training is to give impetus to the training they have already been receiving by way of tractor and truck driving, care and repair, and all that sort of thing of a mechanical nature?

Mr. CANNON of Missouri. This is simply supplemental and without additional cost, and there is no additional appropriation and no earmarking of funds of any kind.

Mr. MURDOCK of Arizona. I approve of that part of the program. I know something of the practical educational benefits many C. C. C. enrollees have received and am proud of it. Within the limits of the material equipment those camps have, these young men should get much basic vocational, mechanical training fitting them for usefulness in peace or war. And many more should get it.

Mr. CANNON of Missouri. I think everyone who is sincerely interested in these boys and who wants not only to provide work for the boys and relief for their families, but who also wants to make this service a stepping stone for the future of these boys, will approve of this idea.

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

Mr. CANNON of Missouri. I yield to the gentleman from New York.

Mr. MARCANTONIO. The gentleman assures us that this training is not military in character?

Mr. CANNON of Missouri. It is not. It is to all effects the usual vocational training provided in the average high school.

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

Mr. CANNON of Missouri. I yield to the distinguished gentleman from Michigan.

Mr. RABAUT. I want to ask my colleague the chairman of this committee, how it is that on two occasions, last year and this year, first in the Committee of the Whole House on the state of the Union and then in the full Committee on Appropriations, the House both times approved the language exempting heads of families 45 years of age or older, with either a dependent spouse or one or more dependent parents or minor children, from the lay-off provision of the bill, but the humanitarian provision has been stricken out in conference.

Mr. CANNON of Missouri. May I say to the gentleman from Michigan [Mr. RABAUT] that the House committee insisted strenuously on that provision, a very salutary provision, which was inserted in the bill by the gentleman from Michigan, and one of the very few amendments adopted after the bill was on the floor. It is one of the last amendments on which the House receded. The gentleman understands that necessarily in a conference we must both give and take. We can understand how tenaciously the House conferees insisted on adherence to the House provisions when we note that while the House receded on only \$45,000,000, the Senate receded on \$67,000,000. I may add that I think every Member of the House committee would have kept this provision in the bill had it been possible to do it.

Mr. RABAUT. Then it was impossible to hold it?

Mr. CANNON of Missouri. As wholeheartedly as we approved it, we just could not do it.

Mr. RABAUT. I feel some relief, so far as the treatment of the House is concerned, but I do not feel it is proper treatment for these older workers who cannot find a place in industry. The W. P. A. ought to be a port in a storm for young men who are without employment, but for people actually denied employment in industry because of their age, the W. P. A. ought to be a place to which they may go for steady employment.

Mr. CANNON of Missouri. I am in hearty accord with the gentleman, and I think every member of the committee of conference felt the same way.

Mr. VOORHIS of California. Mr. Speaker, will the gentleman yield?

Mr. CANNON of Missouri. I yield to the gentleman from California.

Mr. VOORHIS of California. Just to ask the gentleman in connection with this 18 months' rule which the gentleman from Michigan [Mr. RABAUT] asked about. As I read the statement here on page 12, amendment No. 50, do I understand that the bill as finally agreed upon by the conference committee provides that workers who have made reasonable effort and have been unable to secure private employment are exempt from the 18 months' provision?

Mr. CANNON of Missouri. Both provisions were stricken out. The Senate insisted on one and the House insisted on the other, and in the end both had to recede to avoid a stalemate.

Mr. VOORHIS of California. Therefore, all we have is the hard-and-fast 18-month provision.

Mr. CANNON of Missouri. Exactly the proposition as submitted by the House, with the exception of the 45-year provision.

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

Mr. CANNON of Missouri. I yield to my colleague on the committee, the gentleman from Washington.

Mr. LEAVY. I refer to Senate amendment No. 43, which has to do with the \$40,000,000 and the \$20,000,000 items for Federal agencies.

Mr. CANNON of Missouri. I am very glad to say that we were able to go along with the gentleman. The Senate finally yielded and we were able to retain the House figure.

Mr. VAN ZANDT. Mr. Speaker, will the gentleman yield?

Mr. CANNON of Missouri. Briefly. I yield to the gentleman from Pennsylvania.

Mr. VAN ZANDT. During the debate on this measure we reached an agreement between the National Park Service and the W. P. A. concerning recreation areas. Does the gentleman know whether or not in the Senate any change was made?

Mr. CANNON of Missouri. No change was made. I am glad to apprise the gentleman and the House that ample provision is made for that Service.

Mr. Speaker, I yield 5 minutes to the gentleman from New York [Mr. TABER].

Mr. TABER. Mr. Speaker, this bill as it left the House provided for \$1,111,764,916. As it comes back from the conference, including the funds provided for out of the

R. F. C., it carries \$1,282,000,000, about \$171,000,000 more than it did when it left the House. The amendments that have been adopted have all been to make the bill a little worse. The limitations which were put on on pages 2 and 3, of the number who might be employed monthly through the month of November have been removed so that it could be more of a political racket than a relief bill. An addition of better than \$70,000,000 has been provided for loans under the Farm Security Administration, when the only thing they do that should in any way be permitted to continue is in the matter of direct grants to farmers in distress.

Amendments have been adopted, in Puerto Rico, increasing the amount \$500,000 for the Puerto Rican Reconstruction Administration, and permitting them to go into activities, which the House did not permit. This made it a little worse. On top of that, without regard to the interest of those workers in the United States who are embarrassed by the Wages and Hours Act, we have waived its provisions with reference to Puerto Rico—all for the benefit of a group of a certain type of racketeers in New York City, according to what I understand; and I think that is bad.

Mr. MARCANTONIO. And this same gang of racketeers has been one of the active lobbies right from the Washington Hotel, in order to get this exemption.

Mr. TABER. I am surprised that the other body should be so susceptible. They have added \$250,000 for the political propaganda bureau under Lowell Mellett, which should not be done. About the only thing we saved was an amendment prohibiting the theater racket—\$50,000,000 has been added for the relief of those who have been rendered homeless or in distress as the result of military operations abroad. They have added \$50,000,000 to the Surplus Commodity Corporation for the purchase of surplus commodities, which makes about \$50,000,000 more than was available this current year. I have been unable to see any excuse for any of these things.

There will be presented to you in disagreement of the Senate authorizing payments up to 10 percent of the total revenues of the T. V. A. to different States in lieu of taxes. Under the organic act 5 percent was to be allowed. This is an outright hand-out where those folks are getting rates which costs 2¼ mills under reclamation projects, where they say that is the lowest they can allow and get by, and here they are selling it for an average of 1.69 mills. Lower rates; and they want the Government of the United States to pay the taxes.

[Here the gavel fell.]

Mr. CANNON of Missouri. Mr. Speaker, I yield the gentleman 1 additional minute.

Mr. AUGUST H. ANDRESEN. Will the gentleman yield?

Mr. TABER. I yield.

Mr. AUGUST H. ANDRESEN. Under section 7, amendment No. 42, appropriations for the Executive Office of the President, there is an appropriation of \$330,000 to take care of efficiency and savings under Reorganization Plan No. II. I thought we were going to have some efficiency in Government and savings as a result of the President's reorganization, but here is an increase in the appropriation.

Mr. TABER. The conference report calls for an increase of \$250,000. This is that racket that has been going on in the President's office, writing political speeches during campaigns. It is absolutely useless and inefficient. The salary roll is away up in the air, and in my opinion it is without authority of law.

Personally I cannot go along with this report myself.

[Here the gavel fell.]

EMERGENCY DEFENSE APPROPRIATION

Mr. WOODRUM of Virginia. Mr. Speaker, I ask unanimous consent that the Committee on Appropriations may have until midnight tonight to file a conference report on the emergency defense bill.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

WORK RELIEF AND RELIEF APPROPRIATION BILL, 1941—CONFERENCE REPORT

Mr. CANNON of Missouri. Mr. Speaker, I yield 5 minutes to the gentleman from Virginia [Mr. WOODRUM].

Mr. WOODRUM of Virginia. Mr. Speaker, I am going to take just 5 minutes in order to keep the record straight; not to comment in detail on the conference report.

I voted against the relief bill, as it may be recalled, when it passed the House. I expect to vote for this conference report, not because I have changed my attitude in any way on the fundamental question involved in the relief bill, but because if we must have this kind of relief bill, and apparently we do at the present time, I think the conferees have worked out the situation about as well as it could be done.

The bill is much more than it was when it passed the House, as bills always are. Gentlemen at the other end of the Capitol proceed to load up appropriation bills that come over there with everything they can think of. After they do that they go into a huddle to see if there is not somebody who can take it out of the bill again. There is only one way to cut down appropriations and that is to quit appropriating money. All this business of resurveying and cutting off after we put it into the bill is nothing but a lot of hot air and gestures. If we do not stop these appropriations when they go through here they will not be stopped anywhere.

Mr. AUGUST H. ANDRESEN. Will the gentleman yield?

Mr. WOODRUM of Virginia. Yes, I yield.

Mr. AUGUST H. ANDRESEN. I know the gentleman does not intend to cast any reflections upon the other body, but it is my opinion that under the Constitution they were to be a check on the House of Representatives. What kind of a check does the gentleman think they have been?

Mr. WOODRUM of Virginia. It has been a sort of blank check most of the way down the line. [Laughter and applause.]

Mr. Speaker, in January the Budget estimate for W. P. A. was \$1,000,000,000. Some of us had high hopes that the time had come when we were going to try to pull in on the relief burden, but those hopes were shortly dissipated when the estimate came back requesting permission to use that \$1,000,000,000 in 8 months. In other words, a 33½ percent "hike" in the relief expenditures. The reason given for it was that there had been a slight drop in the production index and a slight recession in business, and therefore there should be a 33½-percent increase in the relief bill. Since the House passed that bill we have appropriated more than \$5,000,000,000 for a defense program, speeding up industry everywhere. There is no earthly justification in sound logic or reason for this relief load costing this Government a billion and a half dollars in the next fiscal year. I want to express the very earnest hope and prayer that the President and the W. P. A. will spread this \$975,000,000 over the full fiscal year and not come back to Congress for another appropriation.

The morning paper carries the news that 1,000 W. P. A. workers in Washington, in the District of Columbia, which is not an industrial city—you would not expect this industrial upswing on account of this to affect Washington—yet in the city of Washington 1,000 W. P. A. workers are taken off of W. P. A. rolls and put on the defense program.

That should, and indeed will, happen all over the length and breadth of this country. There is no excuse today for an able-bodied man not going to work in private employment, in private industry; and private industry in conjunction with this defense program should see to it that every able-bodied, competent person is employed and taken off W. P. A. I want to express the hope that in carrying out this program during the coming year, while Congress has permitted the use of these funds in 8 months, those in charge will take advantage of these substantial sums we are spending for defense and make the W. P. A. program less so they will not come back for more money.

We are spending a great deal preparing this country against invasion from foreign countries, but we are woefully lacking in an economic defense right here in our own country. We

have already appropriated more than \$5,000,000,000 for national defense and another \$4,000,000,000 program is yet to come. We ought to have under consideration right now ways and means of raising the revenue to pay for the cost of this defense of America and the Western Hemisphere. The American people are willing to do it. They know they have got to meet this proposition some time or other, and that they will have to pay the bill. But at the time we are preparing our boundary defenses we must at the same time not overlook the economic and fiscal defenses of this country.

I hope the W. P. A. program will be spread over the year and that we shall not be asked for a deficiency. [Applause.]

[Here the gavel fell.]

Mr. CANNON of Missouri. Mr. Speaker, I yield 5 minutes to the gentleman from Massachusetts [Mr. WIGGLESWORTH].

Mr. WIGGLESWORTH. Mr. Speaker, I rise in opposition to the conference report.

The Senate added 70 amendments to the bill as passed by the House. I think it is a fair statement to say that almost without exception the House conferees have surrendered on every amendment of importance. I call your attention to the first amendment in this bill.

Colonel Harrington assured the House committee that he wanted to take politics out of W. P. A. He voluntarily gave us figures for maximum employment in the months of July to November, inclusive. The House inserted these figures in the bill with a view to the elimination of politics. The Senate struck the figures out of the bill, and the House conferees yielded to the Senate. Why? Mr. Speaker, I submit there is no logical reason in the world for that action except the desire to place the funds provided for those in need in a position to be utilized for political purposes in the campaign of 1940 as they were in the campaigns of 1938 and 1936. Actions speak louder than words.

I call your attention to amendments 31 to 34. The House conferees again yielded to the Senate. As a result, a precedent is established for undermining the national wage and hour legislation on our books at this time. The provisions of that law insofar as they apply to Puerto Rico and the Virgin Islands are eliminated.

I call your attention to amendment No. 50 which eliminates the liberalization which the House provided in respect to the 18 months' provision. Under the House liberalization, those 45 years of age or more with dependents were excluded from the terms of the 18 months' provision. The Senate eliminated the liberalization. The House conferees again yielded.

Amendments 6 and 7 undermine materially the principle of local contribution and provide that \$25,000,000 may be taken away from those in need and applied to costs other than labor costs. The House conferees again yielded.

The bill when it passed the House carried appropriations totaling about \$1,111,755,916. It returns to the House as a result of concessions by the House conferees carrying approximately \$171,000,000 more than when it went to the Senate.

The bill carries an additional \$69,000,000 for relief and rehabilitation loans, bringing the total up to \$184,000,000. It carries an additional \$50,000,000 for surplus commodities on top of the \$185,000,000 already appropriated for that purpose. It carries an increase of \$500,000 for the Puerto Rico Reconstruction Administration in the face of testimony before your committee indicating most scandalous conditions in Puerto Rico under that Administration. It carries an increase of \$250,000 for the office of Government Reports in spite of the lamentably weak justification of that agency before your committee. It takes \$100,000 away from those in need and makes it available for broadcasting purposes. It takes another \$2,200,000 away from those in need and makes it available for increased administrative expenditure. It carries an increase of \$1,200,000 for expenses of the administrative agencies under this program other than W. P. A. All this due to surrender by the House conferees.

Time does not permit going into the T. V. A. amendment, which is in dispute, and which will be taken up separately on

its own merits. I am opposed to that amendment and shall vote against it.

I am also opposed, Mr. Speaker, to this conference report. It is not possible for me to go along with it. I shall vote against its adoption. [Applause.]

[Here the gavel fell.]

Mr. CANNON of Missouri. Mr. Speaker, I yield 5 minutes to the gentleman from Pennsylvania [Mr. DITTER].

Mr. DITTER. Mr. Speaker, I was very much interested in the statement made by our distinguished majority leader just a short time ago in which he made the declaration that the Republican Party was trying to make the Democratic Party the war party of the country. May I say to the distinguished majority leader that the present administration is doing that so effectively itself that any efforts on our part are entirely unnecessary. I feel that the Republicans in no way need give aid or assistance to the methods of the present administration to impress upon the country that the administration now in power is the war-minded administration and that the party responsible for the administration is the war party of the country.

If anything were needed to confirm this declaration, the appointments of yesterday are certainly complete confirmation. The distinguished majority leader said that the Republican Party had been hunting for issues. I want to correct that statement. The Democratic Party has given us all the issues that a party might need, and no better issue could be had than the conference report that is now before us.

I want to remind the majority leader that the management of relief is certainly a real issue today. I want to remind the majority that from the majority side and under the direction of the majority investigating committee, the management of the relief has been branded with political corruption, with extravagance, and with admitted inefficiency. Instead of those who were in need receiving relief which they should have, they have been exploited in a most shameless manner. That is an issue made for us by the Democratic Party.

I want to remind the distinguished majority leader that the Republican Party has an issue in the continued war that has been carried on by the present administration against private enterprise. I want to remind the majority that the difficulties which appear as industry must be geared to a preparedness machine are due entirely to the continued warfare carried on by the present administration against private enterprise, private capital, and private industry. That is an issue made for us by the Democratic Party.

I want to remind the distinguished majority leader that all of the collectivist tendencies of this present administration in power is a real issue that the Republican Party accepts today. No better evidence of those collectivist tendencies could be presented than appear at this time in connection with the Puerto Rican program, which is a part of this relief bill. Lip service to constitutional government is what we have had in the last 7 years. Collectivism and constitutional representative government have nothing in common. The one is the antithesis of the other. Collectivism is the product of totalitarianism. Defending democracy cannot contemplate a series of experiments in collectivism such as the present administration has resorted to in the last 7 years. That is an issue made for us by the Democratic Party.

I want to remind the majority leader that the spend-for-prosperity program of the administration is an issue which concerns the welfare and security of the American people. Day by day it is becoming increasingly evident to people in all walks of life that the pay day for the profligacy of the last 7 years is at hand. With the boosting of the debt limit, and the increasing of an already heavy tax burden, the people are painfully conscious that the more abundant life has turned out to be the deadening despair of debt and disillusionment. Day by day it is becoming increasingly evident, as the startling disclosures of unpreparedness are made, that the wealth of the Nation has been wasted in the wildest orgy of spending we have ever known, an orgy of

spending which has been frowned upon by many outstanding Democrats and denounced by every Republican. Billions have been spent with an eye on ballots which might well be used today for battleships. I feel, Mr. Speaker, that I need not dwell at length on the details of the financial fallacies of the last 7 years, nor attempt to emphasize the perilous position in which we find ourselves as a result of those fallacies. The figures speak for themselves. The majority might well examine the costs of a multitude of projects—Florida ship canal, harnessing the tides at Passamaquoddy, the experiments in resettlements, the wide variety of extended W. P. A. excursion, and many, many more, and then figure for itself what the cost of these expenditures might buy today in the shape of instruments of preparedness. No one could state more forcefully the peril of our financial position today than did the Secretary of the Treasury in his appearance before the Congress in connection with the new tax measure.

None of the explanations or excuses that debts are not debts and that spending is a new streamlined system of saving will pay for 1 hour's work on a battleship or buy 1 pound of metal for an airplane. The American people know that, and know it only too well. As they are faced with the necessity of providing a national defense, they realize fully and in a very practical way that extravagant social experiments, wasteful political excursions, and unsound financial practices have seriously impaired our strength. That is an issue made for us by the Democratic Party.

I want to remind the distinguished majority leader that the policy of a party purge is a real issue; in fact, an issue in which some of his own party stalwarts may still be much interested. To many of them, it is probably a very delicate issue. To many it is undoubtedly a taunting memory. To the American people generally it smacks of foreign philosophies not altogether democratic. Its victims have not likely endorsed it. Its survivors can hardly be said to be reconciled to it. The American people reject it. That is an issue made for us by the Democratic Party.

I want to remind the distinguished majority leader that the Court-packing program of the administration is still a live issue with the American people. They have not forgotten the attack on the independence of the judiciary. They still remember the tactics resorted to and the stern commands which were issued to ride roughshod over judicial strongholds. Even the emphasis on foreign affairs has not blotted out the memory of the attempted ruthless ravage of Court interpretations. The defense of the independence of the Court is a very fundamental part of the defense of democracy.

And, Mr. Speaker, by the same token, that which would destroy such independence must inevitably weaken one of the foundations, and a most important foundation, upon which the whole citadel of free institutions is built. Need I remind the majority leader of the denunciation of the purposes of that program so eloquently voiced by an able and fearless son of Texas here in this House? Can it be that the distinguished majority leader has forgotten that memorable occasion? Is it possible that the courageous stand of his colleague from Texas made no impression upon him? It cannot be. Surely my suggestion is all that is needed to refresh the mind of the distinguished majority leader of the method of attack and the necessity of defense at that time. The court-packing program failed, but the purposes have not been forgotten. That is an issue made for us by the Democratic Party.

I might go on, Mr. Speaker, for an extended time reciting live issues made for the minority by the practices, the policies, the purposes of the party in power. No good could come of such a recital at this time. It inevitably would tend to embarrass my friends on the majority side who have sponsored, supported, and defended the philosophy responsible for the whole program. I have no such purpose in mind. Had not the majority leader suggested the absence of issues I would have refrained from even this casual reminder of things which may be painful to many.

Let me assure my friend for whom I have a real respect, the able and distinguished majority leader, that the Republican Party welcomes the opportunity to meet the issues made for it by the Democratic Party—issues which we believe are fundamental, issues which go to the heart of our system of government and our way of life, issues that are of vital importance today as the Nation faces the sterner tasks of tomorrow, issues that will determine the destiny of the substantial spirit even more than the superficial form of democracy, issues which will command the attention, inspire the zeal, and challenge the devotion of men and women throughout the land—men and women committed to the cause of constitutional government and enlisted for the defense of the heritages which they treasure. [Applause.]

[Here the gavel fell.]

Mr. CANNON of Missouri. Mr. Speaker, I yield 3 minutes to the gentleman from New York [Mr. MARCANTONIO].

Mr. MARCANTONIO. Mr. Speaker, in these 3 short minutes there are two protests I would like to register with regard to this conference report. The first is that through appropriations and authorizations there will have been taken out of the Treasury by our action this year over \$10,000,000 for war purposes. For relief and for the unemployed we appropriate only \$975,650,000. This conference report still retains the 18 months' clause, discriminates against the foreign-born, continues the drastic wage cuts, violates the Bill of Rights, does not restore the prevailing wage, and in general crucifies the W. P. A. worker. The workers throughout the country are receiving discharge notices every day. However, as the program is uniforms and not overalls, this conference report is in line with it.

The second protest I now register against this conference report is the manner in which they put over the amendment exempting labor exploiters in Puerto Rico from the provisions of the wage-hour law. After we committed the wage-hour amendments in this House, Senator KING, of Utah, took a District of Columbia bill, providing for the hospitalization of Virgin Islanders in the District of Columbia, and added to that bill this amendment exempting labor exploiters in Puerto Rico from the provisions of the wage-hour law. Failing to get action over here on that bill, he then takes this relief bill and he adds the same amendment excluding the Puerto Rican workers from the protection of the wage-hour law. It is most unfortunate, and I certainly deplore the fact that the majority of the House conferees permitted the amendment to go into this conference report without any protest and without any fight.

The fact that this unusual and inordinate procedure was resorted to demonstrates conclusively the weakness of the case of the labor exploiters who were behind this amendment. Before the present session is over I shall introduce a resolution to investigate the vicious lobby that put this thing over on the Congress of the United States by this most fantastic procedure. In my investigation request I shall reveal all of the facts. I am going to state who is who and what is what, and give the details of the vicious lobby that operated to put this thing over.

Mr. TABER. Will the gentleman yield?

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

Mr. TABER. This Puerto Rican situation has been terrible for a long time. The Puerto Rican Reconstruction Administration and the way it has been operated has been awful. This latest performance of discriminating between the people down there and the people up here is ridiculous.

Mr. MARCANTONIO. We are not doing anything for the people of Puerto Rico. By this amendment we are aiding and abetting their exploiters, a gang of chiselers who are unscrupulous and parasitical. The leader of this needle-industry lobby was a Mr. Schweitzer, who was assisted by a Mr. James Lanzetta, who received \$10,000 a year from the treasury of Puerto Rico and at the same time comes down here and lobbys against the best interests of the Puerto Rican people.

What consideration are we giving to the people of Puerto Rico? In this relief bill we have cut Puerto Rico from \$7,000,-

000 to \$5,000,000 for relief purposes. On the other hand, we give the vilest gang of labor exploiters from New York City, who exploit those women and children in Puerto Rico, particularly in the needle trade, by virtue of this relief bill, relief from the provisions of the wage-hour law. What a mockery. There is dirty business behind this thing and I am going to prove it to the Congress before we adjourn. [Applause.]

[Here the gavel fell.]

Mr. CANNON of Missouri. Mr. Speaker, I yield 5 minutes to the gentleman from New York [Mr. FISH].

Mr. FISH. Mr. Speaker, I want to confine my remarks to section 40 on page 47, which provides for an appropriation of \$50,000,000 for purposes of relief. It practically turns this money over to the President to distribute through the American Red Cross or any other agency he designates.

I am in favor of the amendment and the proposal, but I wish to make the prediction that this is just the start of what America will probably have to do in the next few years. As most Members of the House know, I am an isolationist from foreign wars, but I am not an isolationist from arbitration and peaceful methods, and particularly from humanitarian efforts on the part of the United States of America. I believe we have a great moral duty toward the world, first, to keep out of European and Asiatic wars; and, second, because we are the richest nation in the world, with great surpluses of wheat, corn, and cotton, that we will have either to give or loan those farm surpluses for the next 2 or 3 years to these war-ridden countries. In my judgment, we should not loan them but give them outright and ask nothing in return and expect nothing in return; not even thanks.

Mr. Speaker, we may even have to revise our whole agricultural program. Why give the farmers a billion dollars a year to destroy their crops of wheat, corn, and cotton, and so on? We may have to let the farmers grow all they want and buy those crops for a billion dollars, and then give this surplus to the European countries which have been invaded, and where women and children will be starving to death within 6 months' time, or by next winter.

This \$50,000,000 contribution originated in the Committee on Foreign Affairs, when we authorized the \$15,000,000 loan to Poland, which was reported almost unanimously. I said at that time—and I offered an amendment to that effect—that it ought to apply to similarly afflicted nations. It should now apply not only to Poland but to Norway, Denmark, Belgium, Holland, and France, because if this European war continues for the next 6 months or so and into the next winter there will be 50,000,000 people starving in Europe.

We cannot hold up our heads if we destroy our crops and destroy foodstuffs and let these people starve to death, when we could have a surplus by letting our farmers grow what they have a right to grow, and take the same amount of money and buy those crops from the farmers and give them to these destitute nations for their starving women and children.

So I submit, Mr. Speaker, this \$50,000,000 is just a drop in the bucket. It is not meant merely for the Red Cross, because the Red Cross only distributes medical supplies, not foodstuffs. These foodstuffs must go through a separate agency, an agency such as we created during the World War under Herbert Hoover for the relief of the Belgians. Seven hundred million dollars was spent in 4 years to keep the Belgian people alive. I predict that we will have to spend a billion dollars within the next few years to keep the people of Europe alive. I believe this great country of ours has that moral obligation.

Some may say to me as they have in the past that I am an isolationist, but I am only an isolationist from war, not from peace, not from good will, not from arbitration, and not from feeding starving people in foreign lands. I believe that is exactly what we will have to do. This \$50,000,000 is the first step. It may have to be duplicated within 6 months, but in the meanwhile, we may have to change our whole program of scarcity and have a program of abundance for the farmers of this country. [Applause.]

[Here the gavel fell.]

NATIONAL DEFENSE

Mr. MAY submitted a conference report and statement on the bill (H. R. 9850) to expedite the strengthening of the national defense.

RELIEF AND WORK RELIEF APPROPRIATION BILL, 1941—CONFERENCE REPORT

Mr. CANNON of Missouri. Mr. Speaker, I yield 3½ minutes to the gentleman from California [Mr. VOORHIS].

Mr. VOORHIS of California. Mr. Speaker, I like what the gentleman from New York said about making constructive use of everything that America can produce. And I agree with him about our doing everything we can for peace and for the relief of suffering everywhere. We should certainly encourage our farmers to produce all they can and, of course, the way to do that is to assure them that what they produce will be purchased from them at a fair price. To purchase it and relieve suffering abroad is one good thing to do. I should like to point out, however, that we already have a program for the constructive use of our farm products by our own people. That program, which should be expanded, is in the form of the stamp plan of the Surplus Commodities Corporation. I am very much in favor of its use to get food into the hands of the American people who are in need of it, as they are today, as well as to relieve the needs of other nations. There is added to this bill \$50,000,000 for that purpose. I wish it had been \$100,000,000. I wish the conferees had agreed on the Senate figure in that respect, especially in view of the loss of foreign markets for so many of our farm commodities and in view of the great importance of having a well-nourished Nation as we face these trying times.

I also wish that we could find out what the true relationship is between money as entitlement to buy and wealth produced as real purchasing power. It is not necessary to go into debt in order to provide the means of putting that wealth produced into the hands of the people who are in need of it. As long as the price level for farm commodities is below parity we should be purchasing from the farmer, or enabling our needy people to purchase from him with new money or credit created for that purpose.

Mr. Speaker, I ask unanimous consent to insert at this point in the RECORD a very brief paragraph from an article by Mr. Willis Overholser appearing in the Waukegan News-Sun, that illustrates the point I have just made.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

The matter referred to follows:

We develop surpluses and then, instead of paying pensions and relief wages with those surpluses, we plow them under, destroy them, and shut down factories until the surpluses disappear. Instead of just asking the question, "Where are we going to get the money?" we should ask ourselves, "How are we going to make adjustments in our outmoded financial system which will enable us to pay pensions, relief needs, etc., with these so-called surpluses and the potential products of closed-down factories?"

Thus we should quit trying to cut down our badly needed production to the size of an outmoded pocketbook. We should get rid of some of our stubbornness and should develop enough imagination and ingenuity to modernize the pocketbook.

Mr. VOORHIS of California. Mr. Speaker, in the next place, I am extremely regretful that the conferees were not able to hold the provision we put into this bill to protect people 45 years of age and older who are heads of families from the application of the 18-month rule. I think it works an injustice on those people to have that rule applied to them. I do not think it should be applied to them. They are the people to whom a W. P. A. job means the difference between self-respecting work and direct relief.

In the next place, it is important for us to consider just as carefully, if not more so, than we ever have, our public works employment program, provided for in part in this bill. America needs every person in this country to be at work at things she needs to get done. We cannot afford to have people unemployed in this country now. We need to make constructive use of the labor of everybody. When you consider the amount of money we have appropriated for de-

fense—and I voted for every dollar of it—it seems to me that we must realize that to provide funds as we are doing in this conference report for the purpose of putting our people to work at constructive jobs is a matter of certainly equal importance from the standpoint of national defense. Our Nation will be strong to the extent that all of us are at work.

I should also like to see the program for preventing farm tenancy broadened more than it is now. I only ask you to consider the difference in feeling and attitude between the man who owns his modest acres of good American soil and the man who must see his family driven from pillar to post in search of an odd job here and there. Now, we have \$1,682,000,000 of silver seigniorage lying idle in the Treasury of the United States right now. You could turn back the tide of increasing farm tenancy, and you can help solve this urgent problem if you would make use of some of that, for the purpose of making it possible for these migrant people, farm labor, and farm tenants, to become owners of farms. Rome fell because she did not do that very thing. May I say that America's strength is increased every time that is done. At this point, I want to call attention of the House to a very simple, one-page bill which I have introduced on this very matter of turning our tenants and migrant farm laborers into farm owners. The text of that bill is as follows:

Be it enacted, etc., That the Secretary of the Treasury is hereby authorized and directed to make available to the Secretary of Agriculture for the purposes set forth in section 2 of this act the sum of \$1,000,000,000 by the issue of silver certificates in the aggregate amount of \$1,000,000,000 pursuant to section 5 of the Silver Purchase Act of 1934.

SEC. 2. The amounts appropriated to the Secretary of Agriculture (hereinafter referred to as the Secretary) by section 1 of this act shall be available for the making of loans to farm tenants, farm laborers, and sharecroppers for the acquisition of farms under the terms and provisions of title I of the Bankhead-Jones Farm Tenant Act, approved July 22, 1937 (7 U. S. C. 1000-1006): *Provided*, That if as to any county the Secretary shall find that individual family-sized farms meeting the requirements of said act are not available for purchase by individual borrowers and that the purposes of said act can best be effectuated by the purchase and subdivision of large tracts, the Secretary shall be authorized to acquire such tracts, to make necessary repairs and improvements thereon, and to enter into contracts for the sale thereof to such applicants as are certified by the county committee established under said act as being eligible for the benefits thereof and upon terms conforming with the conditions set forth in said act.

America's strength for national-defense purposes is increased to the extent that the people of this country know that their Congress is going to see to it that every person in this country has the best possible stake in the ideals this country stands for.

TRIBUTE TO THE SPEAKER

May I say in conclusion on quite a different subject that a new Member of this House, and a young Member, operates under certain disabilities. I did not believe I ever felt that disability quite so much as I did today, when I wanted so badly, although I knew it was not in place for me to do so, to ask for at least a minute in which I might have had an opportunity to pay tribute to the Speaker of the House, as was done so beautifully by some of the older Members. I should just like to say that to me he has been a real inspiration, and that the years I have spent under his Speakership will be something I will cherish as long as I live, whatever the future may hold.

[Here the gavel fell.]

Mr. VOORHIS of California. Mr. Speaker, I ask unanimous consent that in connection with my remarks I may be permitted to include the text of a very short bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. CANNON of Missouri. Mr. Speaker, I yield 5 minutes to the gentleman from Tennessee [Mr. REECE].

Mr. REECE of Tennessee. Mr. Speaker, I am taking this opportunity to address the House with reference to amendment No. 68, which proposes to amend section 13 of the Tennessee Valley Act. Section 13 of this act is the section in

which provision is made to pay to the States of Alabama and Tennessee 5 percent of the gross proceeds of the T. V. A. for tax-replacement purposes. This amendment now proposes to amend section 13 for two purposes: First, to provide an equitable distribution of the money which is now authorized by this provision, and, then to increase the amount for a period of 8 years, at the end of which time it would be reduced to the 5 percent now provided in section 13, so as to take care of the requirements of the counties which are so seriously affected by the power property which has been acquired by the T. V. A. and thereby removed from taxation. Some of the counties affected have lost as much as 70 percent of their revenue. Seventy of the ninety-five counties in Tennessee are affected. Some of these counties have lost as much as 42 percent of their revenue, and there is no provision in the constitution of the State of Tennessee by which any of this 5 percent now being paid may be redistributed to the counties of the State. Unless some provision is made for these counties, they will default upon their bonds and other obligations, and will be forced to close their school.

The Tennessee Valley Authority has placed in the rate base $12\frac{1}{2}$ percent for tax purposes, which is added to the cost of the power to the consumers and which is held as a trust fund for the purpose of repaying these taxes to the counties involved, but it is without authority to make the payment to the counties unless this amendment is adopted.

It is a matter of the gravest concern to the people of Tennessee and the other States affected that this amendment be adopted, and I think it is in accordance with sound principles of legislation that it be adopted. When the Federal Government goes into a private operation in competition with private enterprise, I think there should be a provision for payment of taxes or payment of money in lieu of taxes, and, in keeping with that policy, the T. V. A. has included in its rate base $12\frac{1}{2}$ percent for this purpose, and unless we give it authority to disburse this money to the counties involved, these counties are going into liquidation, their schools will be closed, and it is almost a matter of life and death to these counties and the people who live in them. A great injustice will be done unless this provision is included in the bill, and, since the money for these payments is received from an increase in wholesale power rates for this purpose, it will not cost the United States Treasury one cent.

[Here the gavel fell.]

Mr. CANNON of Missouri. Mr. Speaker, I move the previous question on the conference report.

The previous question was ordered.

The SPEAKER pro tempore (Mr. THOMASON). The question is on agreeing to the conference report.

The question was taken; and on a division (demanded by Mr. DWORSHAK) there were—ayes 76, noes 46.

So the conference report was agreed to.

Mr. CANNON of Missouri. Mr. Speaker, I ask unanimous consent that all who have spoken on the conference report and all who will speak on the one amendment in disagreement may have 5 legislative days within which to extend their own remarks in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. O'BRIEN. Mr. Speaker, I make a point of order that a quorum is not present.

The SPEAKER pro tempore. The Chair will count. (After counting.) One hundred and seventy-nine Members are present, not a quorum.

Mr. CANNON of Missouri. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

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

[Roll No. 159]

Blackney	Drewry	Lemke	Sheridan
Boehne	Durham	Maas	South
Bolton	Halleck	Merritt	Thomas of N. J.
Burgin	Harter of Ohio	Mitchell	White of Idaho
Chipfield	Horton	Monroney	Wood
Cluett	Keller	Mundt	
Darrow	Kirwan	Romjue	

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

By unanimous consent, further proceedings under the call were dispensed with.

EXTENSION OF REMARKS

Mr. SMITH of Ohio. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include therein figures relating to the Treasury general-fund balance, supplied me by the General Accounting Office and the Treasury Department.

The SPEAKER pro tempore. Is there objection?

There was no objection.

WORK RELIEF AND RELIEF APPROPRIATION BILL, 1941—CONFERENCE REPORT

The SPEAKER pro tempore. The Clerk will report the Senate amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 68: Page 42, after line 23, insert:

"Sec. 39. Section 13 of the Tennessee Valley Authority Act of 1933 is hereby amended to read as follows:

"Sec. 13. In order to render financial assistance to those States and local governments in which the power operations of the Corporation are carried on and in which the Corporation has acquired properties previously subject to State and local taxation, the board is authorized and directed to pay to said States and the counties therein, for each fiscal year, beginning July 1, 1940, the following percentages of the gross proceeds derived from the sale of power by the Corporation for the preceding fiscal year as hereinafter provided, together with such additional amounts as may be payable pursuant to the provisions hereinafter set forth, said payments to constitute a charge against the power operations of the Corporation: For the fiscal year (beginning July 1) 1940, 10 percent; 1941, 9 percent; 1942, 8 percent; 1943, $7\frac{1}{2}$ percent; 1944, 7 percent; 1945, $6\frac{1}{2}$ percent; 1946, 6 percent; 1947, $5\frac{1}{2}$ percent; 1948 and each fiscal year thereafter, 5 percent. "Gross proceeds," as used in this section, is defined as the total gross proceeds derived by the Corporation from the sale of power for the preceding fiscal year, excluding power used by the Corporation or sold or delivered to any other department or agency of the Government of the United States for any purpose other than the resale thereof. The payments herein authorized are in lieu of taxation, and the Corporation, its property, franchises, and income are hereby expressly exempted from taxation in any manner or form by any State, county, municipality, or any subdivision or district thereof.

"The payment for each fiscal year shall be apportioned among said States in the following manner: One-half of said payment shall be apportioned by paying to each State the percentage thereof which the gross proceeds of the power sales by the Corporation within said State during the preceding fiscal year bears to the total gross proceeds from all power sales by the Corporation during the preceding fiscal year; the remaining one-half of said payment shall be apportioned by paying to each State the percentage thereof which the book value of the power property held by the Corporation within said State at the end of the preceding fiscal year bears to the total book value of all such property held by the Corporation on the same date. The book value of power property shall include that portion of the investment allocated or estimated to be allocable to power: *Provided*, That the minimum annual payment to each State (including payments to counties therein) shall not be less than an amount equal to the 2-year average of the State and local ad valorem property taxes levied against power property purchased and operated by the Corporation in said State and against that portion of reservoir lands related to dams constructed by or on behalf of the United States Government and held or operated by the Corporation and allocated or estimated to be allocable to power. The said 2-year average shall be calculated for the last 2 tax years during which said property was privately owned and operated or said land was privately owned: *Provided further*, That the minimum annual payment to each State in which the Corporation owns and operates power property (including payments to counties therein) shall not be less than \$10,000 in any case: *Provided further*, That the Corporation shall pay directly to the respective counties the 2-year average of county ad valorem property taxes (including taxes levied by taxing districts within the respective counties) upon power property and reservoir lands allocable to power, determined as above provided, and all payments to any such county within a State shall be deducted from the payment otherwise due to such State under the provisions of this section. The determination of the board of the amounts due hereunder to the respective States and counties shall be final.

"The payments above provided shall in each case be made to the State or county in equal monthly installments beginning not later than July 31, 1940.

"Nothing herein shall be construed to limit the authority of the Corporation in its contracts for the sale of power to municipalities, to permit or provide for the resale of power at rates which may include an amount to cover tax-equivalent payments to the municipality in lieu of State, county, and municipal taxes upon any distribution system or property owned by the municipality, or any agency thereof, conditioned upon a proper distribution by the municipality

of any amounts collected by it in lieu of State or county taxes upon any such distribution system or property; it being the intention of Congress that either the municipality or the State in which the municipality is situated shall provide for the proper distribution to the State and county of any portion of tax equivalent so collected by the municipality in lieu of State or county taxes upon any such distribution system or property.

"The Corporation shall, not later than January 1, 1945, submit to the Congress a report on the operation of the provisions of this section, including a statement of the distribution to the various States and counties hereunder; the effect of the operation of the provisions of this section on State and local finances; an appraisal of the benefits of the program of the Corporation to the States and counties receiving payments hereunder, and the effect of such benefits in increasing taxable values within such States and counties; and such other data, information, and recommendations as may be pertinent to future legislation."

Mr. CANNON of Missouri. Mr. Speaker, I move that the House recede from its disagreement to the Senate amendment and concur in the same.

The SPEAKER pro tempore. The Clerk will report the motion.

The Clerk read as follows:

Mr. CANNON of Missouri moves that the House recede from its disagreement to Senate amendment numbered 68 and concur in the same.

Mr. CANNON of Missouri. Mr. Speaker, I yield 5 minutes to the gentleman from Alabama [Mr. SPARKMAN].

Mr. SPARKMAN. Mr. Speaker, in the short time allotted me I shall endeavor to explain briefly what this proposition is. This is commonly known as the T. V. A. tax amendment, and it has been put on as a rider in the Senate. All of you are probably aware of the fact that in the T. V. A. Act as originally passed, and as it stands today, in section 13 provision is made for the payment of 5 percent of the revenues from power to the States of Alabama and Tennessee, based upon the amount of power generated in each one of those States. This bill simply seeks to change this section 13 in two respects. First, it changes the amount immediately to 10 percent of the power revenues for the first year and then drops to 9 percent, and continues to drop until 1948, when it gets back to the present level of 5 percent, and then it levels it off at 5 percent for all time thereafter; and in that connection let me say that under the section as it exists now the 5 percent is not fixed by statute. The Board may at 5-year intervals, with the approval of the President, change that amount upward. While this bill would give a temporary increase, at the end of the time during which that temporary increase works it would level it off and thereafter there would be no flexibility in it. The other respect in which it is changed is the method of distribution.

The present 5 percent is payable to only two States, Alabama and Tennessee, but dams have been built and waters impounded in the States of North Carolina, Georgia, Tennessee, Alabama, Mississippi, and Kentucky, making six States that are vitally concerned. About a year ago we bought considerable properties from the Tennessee Electric Power Co. That has produced an acute tax situation. This bill would change the provision regarding payments to be made to two States and permit payments to all six States. Then, instead of making payments based upon the place where the power is generated, it would set up a formula so that one-half of the amount to be paid would be paid to these States according to the amount of power sales in those respective States and the other half in accordance with the amount of property owned by the T. V. A. in that State allocated to power. When I say payments to the States I mean to the States and the counties thereof, because the bill does carry a provision to allow payments directly to the counties up to the amount of the ad valorem tax loss from the property allotted to power.

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

Mr. SPARKMAN. Yes.

Mr. TABER. The amendment as proposed instead of carrying 5 percent of the gross revenue carries 10 percent, with a gradual scaling down over a period of years.

Mr. SPARKMAN. Yes. I have just explained that—until 1948 when it goes back to 5 percent.

Mr. FITZPATRICK. Could the gentleman give us the assessed valuation of counties that will benefit under this, previous to the enactment of the clause, and at the time the public utilities were taken out of taxation. That would be the fair basis to find out the loss.

Mr. SPARKMAN. I have only about a minute left and I could not do it in that time.

Mr. FITZPATRICK. I asked the chairman of the committee to furnish me that. I am sympathetic with the idea. I wanted that information and they promised to send it to me.

Mr. SPARKMAN. It is available, and I hope it will be put in the RECORD. May I go on for a minute to say something to you about the reason this comes up in this form? I realize that this is irregular. This bill was introduced in the House in July 1939. We started hearings on the 23d of January of this year and continued them through the 20th of February.

I have here the printed hearings on this bill—544 pages—without one single word of opposition to it. The plan was worked out by the Tennessee Valley Authority, the Governors of the States concerned, with tax experts, and it came in and there was not one single word of opposition to it. Yet when the vote was taken in our committee the vote stood 12 to 12 on a motion to table the bill. Finally it was tabled by a vote of 12 to 10, with 2 members absent and the chairman not voting. So the vote in the committee really stood 13 to 12 to table this bill. It became necessary, in order for the House to have the privilege of voting on it, to bring it in as a rider on this report. [Applause.]

[Here the gavel fell.]

Mr. CANNON of Missouri. Mr. Speaker, I yield 5 minutes to the gentleman from Pennsylvania [Mr. FADDIS].

Mr. FADDIS. Mr. Speaker, I am amazed, astounded, and indeed alarmed to see a matter as revolutionary and far-reaching as this injected into a bill in this fashion. I am quite sure that if the American people were aware of what is going on they would be alarmed also to see one of the great bodies of this Congress, which is popularly supposed to be deliberative in its actions, try to inject a far-reaching change in our legislative procedure in a bill of this kind.

Here is a matter that reverses our entire system of administering Federal property injected into a relief bill; injected into it in a manner which, if the relief bill were before the House, could not by any stretch of the imagination be considered as being germane.

Now what are the facts in connection with this matter? They are simply these: After the Tennessee Valley Authority purchased the Tennessee Electric Power Co. they removed from the field of taxation throughout the State of Tennessee the properties of that corporation. They took from counties anywhere from 42 to 70 percent of their taxable assets. Now they have come to realize that they cannot have their cake and eat it, too. They are back to the Congress asking us to take from the General Treasury of the United States money to reimburse them for the taxes they have lost. I feel genuinely sorry for these small counties in Tennessee, but I submit to this House in all fairness that the General Treasury of the United States should not be penalized because four localities in the State of Tennessee are benefiting greatly at the expense of some 70 other counties. If this matter is to be adjusted, certainly in all fairness, both to the counties concerned and to the taxpayers of the United States, these 4 municipalities, 4 large centers in Tennessee—Knoxville, Chattanooga, Memphis, and Nashville—should make up the deficiency in the small counties, because those localities alone are securing the benefit. They are benefiting in excess of \$4,000,000 each year through the retail of power purchased from the Tennessee Valley Authority wholesale.

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

Mr. FADDIS. I yield.

Mr. WALTER. Will the gentleman explain to me why it is these four particular localities are benefited at the expense of other counties in the State?

Mr. FADDIS. I just explained it. They are purchasing power from the Tennessee Valley Authority at wholesale rates,

and they are retailing it to their subscribers in other localities and making over \$4,000,000 a year by doing so.

Mr. BRADLEY of Michigan. Will the gentleman yield?

Mr. FADDIS. I yield.

Mr. BRADLEY of Michigan. Does not the gentleman realize that there are many counties in northern Michigan and Wisconsin that have had their lands taken for national-forest purposes and thereby lost a great deal of revenue?

Mr. FADDIS. That is quite true. There are many examples of the same kind all over the United States. In the city of Hoboken, N. J., the Federal Government took the docks of the North German Lloyd Steamship Co. during the World War, which has taken that property out of the field of taxation. This municipality has lost a great deal of revenue from this source. There are many places throughout the United States that are laboring under just such disadvantage because the Federal Government has acquired properties which have been subject to taxation by localities, and in no case have those localities come to Washington asking that the Congress of the United States take from the Federal Treasury money to reimburse them for the taxes lost.

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

Mr. FADDIS. I yield.

Mr. SPARKMAN. The gentleman referred to the taking of land for forest purposes. Does not the gentleman know that under a statute that has been passed by the Congress these many years, 25 percent of the revenues from the sale of public lands devoted to forest purposes is paid to the States from which the land is taken?

Mr. FADDIS. That is not a comparable case. The Federal ownership and control of these forest lands does not bring direct financial assistance to the localities in which these lands are located. Neither has such ownership resulted in lower utility rates or enabled populous centers to make considerable revenue from the retailing of power.

Mr. Speaker, the acceptance of this Senate amendment to this appropriation bill will create a dangerous precedent, and I hope the House will refuse to accept it. [Applause.]

Mr. CANNON of Missouri. Mr. Speaker, I yield 3 minutes to the gentleman from Tennessee [Mr. JENNINGS].

Mr. JENNINGS. Mr. Speaker, this amendment to section 13 of the original Tennessee Valley Authority Act—

Mr. BRADLEY of Michigan. Will the gentleman yield?

Mr. JENNINGS. I yield, but I do not want this taken out of my time.

Mr. BRADLEY of Michigan. It will just take a second. I just want to call attention to the fact that none of those counties will get revenue from the forests after 25 years.

T. V. A. TAX REPLACEMENT

Mr. JENNINGS. Mr. Speaker, this bill does not make an appropriation out of the Federal Treasury for the relief of these counties in Tennessee or for any of the counties in other States where the Tennessee Valley Authority is operating, which have lost taxes by virtue of the T. V. A. purchases of reservoir lands and utility properties therein.

This amendment simply provides that from the gross receipts from the sale of electricity made by the Tennessee Valley Authority in these various States there shall be paid back to the States and counties in which property has been acquired by the Tennessee Valley Authority and which is thereby withdrawn from taxation a certain amount in lieu of the taxes these States and counties have lost. The money this amendment proposes to pay to these States and counties is included within the wholesale rates at which the Tennessee Valley Authority sells this power. In the original act 5 percent of the gross proceeds of the sale of power by the Tennessee Valley Authority goes wholly to the States of Tennessee and Alabama. The States of Georgia, Kentucky, North Carolina, and Mississippi now get nothing. The counties in these States receive no replacement for the taxes they have lost and will continue to lose. In my congressional district alone the Tennessee Valley Authority has acquired rich farming lands and power-company properties that formerly paid taxes to these counties in the amount of

more than \$250,000. Thus, by these properties being purchased by the United States Government they have been withdrawn from the taxing power of the counties in which they are located.

If this amendment is not adopted, many counties in my State, and especially those in my congressional district, will default in their bonded indebtedness and in the payment of interest thereon. They will not be able to maintain their schools and roads.

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

Mr. JENNINGS. I yield.

Mr. RANKIN. Twelve and one-half percent is added to a wholesale rate for this purpose. This does not take a penny out of the Federal Treasury. If this amendment fails, that 12½ percent will be taken off and it will go to these big cities instead of the small counties.

Mr. JENNINGS. In other words, if this amendment is not adopted, there is frozen in the original act 5 percent of the gross income. This year the 5 percent amounted to \$560,000. This sum is divided between the States of Alabama and Tennessee. None of it goes to the counties. This amendment distributes among the States affected and among the counties affected a percent of the gross revenues of the Tennessee Valley Authority from the sale of power as follows: For the fiscal year 1940, 10 percent; 1941, 9 percent; 1942, 8 percent; 1943, 7¼ percent; 1944, 7 percent; 1945, 6½ percent; 1946, 6 percent; 1947, 5½ percent; 1948 and each fiscal year thereafter, 5 percent.

These payments are included in the rates at which the Authority is now selling power. In law, in equity, and in good conscience these payments that are to be made under this amendment belong to the people of these States and counties. The Government has acquired title to these properties, it has withdrawn them from taxation, and it should make this provision for the relief of these States and counties.

I ask my Republican friends to remember that the people for whom I speak have sent a Republican to this House since 1858, and that the failure to adopt this amendment means their ruin and the ruin of 58 other counties in Tennessee. [Applause.]

[Here the gavel fell.]

Mr. CANNON of Missouri. Mr. Speaker, I yield to the gentleman from California [Mr. HINSHAW] 5 minutes.

Mr. HINSHAW. Mr. Speaker, in these few remarks on this important amendment I should like to call attention to a few fundamental facts that are easily overlooked because they are right under our respective noses. When you stop to consider it, you must acknowledge that in a sense every business is a tax-collecting agency for Government and its multitudinous subdivisions. Business collects taxes from the people in the price of sales to the people, and then, in turn, pays them to governments and their subdivisions.

Taxes go into the cost of manufacture, the cost of sales, and the cost of transportation and all of the myriad of costs that make up the total price which the consumer pays. In fact, taxes constitute a prior lien against earnings and against the physical assets of every business. Taxes must be paid. They cannot be avoided. Every business, in figuring its overhead, adds in the taxes that must be paid to cities, counties, and States; and the Federal income tax is generally allowed for in the percent of profit added to the final cost. At least, one may safely say that every business hopes that it will make a profit, and expects to pay a Federal income tax if it does so—and in many States a State income tax, too.

Therefore, Mr. Speaker, it may truthfully be said that every business is a tax-collecting agency for government, whether it wills it or no.

In the case of a utility property, taxes are paid based upon the value of its real, its tangible, property and other assets. Taxes are paid upon or for its franchise, its right to do business, and to use public alleys, streets, and so forth, and to have the exclusive privilege of doing so, and taxes are paid for its privilege of being a body corporate, for the privilege of dividing its ownership through shares of stock, and so

forth. Taxes are paid upon the value of the product sold; and, finally, if anything is left, it pays a tax upon the interest paid on its bonds and then it pays income taxes if a profit remains.

Where do these taxes go? They go to support county and city governments and to States to help pay the firemen, policemen, school teachers, and public hospitals, and for roads and bridges and armies and navies, and all those things our people have come to look upon as the necessary services of government.

Where do the tax moneys come from? They come from the pockets of the people who use the electric light, heat, and power, the gas or water or telephone service furnished by the utility. If, by any miracle the utilities were relieved of the obligation, for such it really is, to collect these taxes from the people and pay them to municipalities, counties, and States, then these subdivisions of Government would have to either seek other means of raising that revenue from the people or abandon many of the services their citizens demand.

If the utilities were relieved of collecting these sums and paying them in the form of taxes, it would be possible for them to reduce their rates for electricity, gas, water, or telephone service by from 12 to 20 percent, according to the tax load they bear. But the people would have to raise that revenue from some other source. So they continue to tax the utilities which in turn must pass the burden right back to them in their monthly bills. However, in the case of utilities, those who pay these taxes in their monthly bills, and not many of them realize it, are those who use the services, and it is considered right and just that those who use the services should so contribute to taxes in their proportion of the services used. It amounts to a flock of hidden sales taxes.

Now, Mr. Speaker, in the pending amendment, it is provided that the Tennessee Valley Authority, a Government-owned utility, shall pay out of its gross revenues a modest proportion to counties and States in lieu of the ad valorem and other taxes which the Tennessee Valley Authority would have to pay were it privately owned. These percentages, on the whole, are a lot lower than the percent of its gross revenue that is ordinarily paid by a privately owned utility. A privately owned public utility would pay twice as much, at least, and more if corporate and security owners' income taxes were to be added.

Therefore, let me say right here to my colleagues who may be foes of Government ownership of utilities: If you want to see Tennessee Valley Authority rates established that are comparable to private-utility rates, you should not only vote for this amendment, but you should be in favor of doubling the amounts to be paid to the counties and States, in lieu of taxes, in order that Tennessee Valley Authority rates may be forced into a comparative and competitive condition. To vote this amendment down would defeat your own purpose.

I have no personal interest in this amendment whatever, but I think it would be a shame to deprive these counties of the revenue which some of them need to avoid bankruptcy. After all, the people pay the rates and the Tennessee Valley Authority will pay it back to them through their local government services.

I therefore suggest to my colleagues that whatever may be said against the T. V. A. as a project, this amendment should be supported in fairness to the people of the T. V. A. area, for they are not responsible for historical acts of the Congress. I have read a good part of the hearings on this question, and while I agree that the T. V. A. Act is very loose in certain important respects, that is the fault of the act itself. These amendments intend to correct one of the faults.

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

Mr. HINSHAW. I yield.

Mr. RICH. If the Government gets into all kinds of business—

Mr. HINSHAW. I am making no support of that thesis, as the gentleman knows.

Mr. RICH. If the Government goes into business because the people of the States want them to get in, does the gentleman think it is right to tax the people of California to pay for losses by such Government operations?

Mr. HINSHAW. The people of California are not being taxed through this amendment, but the people of my district are paying enough for Boulder Canyon power so that a portion of it is paid to certain other States in lieu of taxes, in almost the same way as is provided in this amendment for the T. V. A. to pay in lieu of taxes.

Mr. RICH. Indeed they are paying for T. V. A. because their expenses are greater than their receipts, considering capital invested and amortization. This is socialism in my judgment.

Mr. HINSHAW. These taxes come out of the original charge by T. V. A. for electric energy which is paid by the electric consumers. [Applause.]

[Here the gavel fell.]

Mr. CANNON of Missouri. Mr. Speaker, I yield 2 minutes to the gentleman from Massachusetts [Mr. LUCE].

Mr. LUCE. Mr. Speaker, I wish to take these 2 minutes to record my protest against the Government's giving \$50,000,000 to the American Red Cross to expend in Europe.

I was a member of the Committee on the Library for 14 years, and part of that time was its chairman. Our committee considered all matters relating to the American Red Cross. In that time, with the exception, if it can be called such, of money for another headquarters building, which was outside the scope of charity, it never asked the Government for a dollar. Indeed, in 1931, Chairman John Barton Payne, of the Red Cross, went before subcommittees of the Committee on Appropriations and stoutly objected to receiving from the Government any money for the drought-stricken areas, and said the central committee could not accept the administration of funds for general relief purposes. He read the vote of the 11 members of that committee to such effect.

Further he said it was his conviction this would to a large extent destroy voluntary giving.

There lies the great danger of the proposal that we give \$50,000,000 to the Red Cross for the terrible need abroad. Knowing that this money has been given by the Government, many thousands of our people will decline to make any direct contribution. Public charity will replace private charity. The values of personal sacrifice will disappear.

I cannot find that the American Red Cross has ever been willing to receive any money from the Government for purposes of charity. Why? Because it would mean the destruction of the American Red Cross.

A few days ago I sent to my own home chapter a check several times larger than will be the increase in my income tax if this bill becomes law unamended. I was happier that night. I sent it without being asked to send it. It was not a large check, but it was at least 10 times as much as I would give by taxation.

Let the precedent be established that we will here dispense charity and there will be no end to the demand for giving out of the Public Treasury. Private benevolence will wane. All the benefit that comes to each one of us by following the example of the good Samaritan will in the end disappear.

Therefore I object to ruining the American Red Cross. [Applause.]

[Here the gavel fell.]

Mr. CANNON of Missouri. Mr. Speaker, I yield 5 minutes to the gentleman from Illinois [Mr. DIRKSEN].

Mr. DIRKSEN. Mr. Speaker, we are approving more than an amount of money today in the amendment that is before us. If this is approved, it will be approval for a principle that is going to plague us for a long time. The theory is that where government makes a venture into a proprietary field as distinguished from a field that is absolutely essential to articulating the functions of government, and we adopt this principle, it can well be applied to every proprietary activity of the Government.

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

Mr. DIRKSEN. I am sorry; I have only 5 minutes.

That might be true in the case of the acquisition of forest lands when the lands are eliminated as revenue producers. That might be true of the merchant marine if any tax problem were involved. Once the precedent is established it will eventually be established to every proprietary function in years hence. We are going to be plagued by the brigade that will come and ask for reimbursement after the largesse and generosity of the Federal Government has been enjoyed.

The best instance in point is that after the expenditure of \$7,000,000 to eradicate and control the Mediterranean fruit-fly in the orange groves of Florida, there was an estimate made by a special board only a year ago for \$7,000,000 in damages by those who sprayed the trees—who went down there to conduct the control program in the tangerine and fruit groves. There was reported out of the Rules Committee a rule that now exists and will be brought before the attention of this House seeking indemnification after the Government has been so generous to the people down there and preserved their groves and incidentally made them more fruitful in producing a better kind of fruit. If you are going to establish this principle, make up your mind that in every proprietary field, States, counties, and cities will be back here when taxes are lost, when revenues are dissipated, or damage has been done asking for reimbursement. I do not know how big the burden will be upon the Federal Treasury, but it will certainly reach staggering proportions.

It has been said that this is not an appropriation out of the Treasury. That is quite true. They provide for an increase in the gross rates of T. V. A. All the users of electricity who have been promised rock-bottom rates will be apprised of the fact that to meet these situations now arising as a result all T. V. A. rates must go up 12½ percent. If that 12½ percent were available for the purposes contemplated in the original act, we could more speedily amortize the navigation and flood-control expenditures of T. V. A., thereby more speedily benefiting the taxpayers of the country.

So do not be deluded by that chimerical and tenuous argument that this is not an appropriation, because in one way or another the taxpayers of the country must pay the bill. And finally this principle must logically be extended and applied to Bonneville, Fort Peck, Grand Coulee, Boulder Canyon, and to all the other proprietary electrical undertakings of the Government and wherever private distribution lines have been placed, wherever revenues have been lost. I do not say in all cases there will be loss of revenue, but wherever there are losses how can the Congress in all conscience then refuse to deal with those situations even as it is proposed to deal with them here today? Truly we assume a tremendous and continuing responsibility in the provision before us.

Finally, I want to say this. I was here in 1933, when the T. V. A. Act was passed. I heard all these plausible representations about rates. I heard them say how the T. V. A. was going to amortize itself. I heard them say how that country would be made to blossom as the rose and that ultimately, in fact in a short period of time, the whole project would be amortized. By raising rates, there are possible revenues that, instead of being devoted to amortization, will be devoted to reimbursing the treasuries of counties, States, school districts, and States where the benefits are already enormous. Let us not forget that \$505,000,000 of the American taxpayers' money has been invested there for localized benefits. Most people receive none of it. So we look at this as the establishment of a principle that, like the ghost of Banquo, may one day rise to smite the conscience of every Member of this House.

[Here the gavel fell.]

Mr. CANNON of Missouri. Mr. Speaker, I yield 5 minutes to the gentleman from Ohio [Mr. ELSTON].

Mr. ELSTON. Mr. Speaker, in appearance this amendment is innocent enough. Actually it is one of the most far-reaching pieces of legislation this Congress has considered. It is repetition of a bill which passed the Senate almost 2 months ago. It was then known as the Norris bill and bore the number S. 2925. After passing the Senate on April 30 of

this year it was considered by the House Military Affairs Committee along with an identical bill which had been introduced in the House known as the Sparkman bill. Hearings upon these bills before the full committee occupied 10 days and the reported hearings cover 544 pages. In addition to the open hearings the bills, together with all suggested amendments, were considered by the committee in executive session with the result that all proposed legislation on the subject was tabled.

Notwithstanding the unusual amount of consideration given this matter by the Military Affairs Committee, we now find the original bill tacked on to a relief appropriation bill and we are limited in its consideration to a period of 1 hour. Although that type of procedure may be technically proper, does anyone believe it would be advisable with only 1 hour's discussion to pass upon a subject which occupied the attention of a House committee for a period of more than 10 days? In the limited time I have I could not hope to more than begin a discussion of the provisions of the bill.

Last year you will recall this Congress authorized the issuance by T. V. A. of bonds in the sum of \$61,500,000 to buy out the properties of the private utilities with which T. V. A. had been competing in the Tennessee Valley area. By reason of the purchase of these properties by T. V. A. the property of the private utilities was no longer taxable in the jurisdictions in which it was located. Immediately the affected States and counties turned to Congress for relief and the bills to which I have referred constituted their appeal. In some instances it was discovered that more than half of all of the taxes of the county had been derived from the private utilities that had been driven out of business by T. V. A.

Section 13 of the original act provided that 5 percent of the gross revenue of T. V. A. should be paid to the States of Tennessee and Alabama. It may be argued to you that this 5 percent was in lieu of taxes but that is not the case. It is the fundamental law of the land that a State has a property right in its natural resources. In this case it was the Tennessee River and the 5 percent was to compensate the States for the use of the river by T. V. A. for power purposes. This percent is now sought to be stepped up to 10 percent of the gross proceeds of T. V. A. for the year 1940. Thereafter it is to be gradually reduced until it again reaches 5 percent in 1949. Out of the revenue thus derived, both the cities and the affected counties will be paid something in lieu of taxes. For the first time we find these payments referred to as being in lieu of taxes and for the first time we find an effort being made to make payments direct to the counties. This, I submit, is without precedent, and is violative of that very fundamental principle that Federal instrumentalities cannot and should not be taxed. In other words, the amendment before us today is purely a tax-replacement measure.

It will be contended that on other occasions the Federal Government has made payment to States in lieu of taxes, but you will find that in each and every one of those instances payments were made to the States only, and they were made because of the fact that the State had a property right in the natural resources which had been taken over by the Federal Government—for example, in the case of forestry and grazing lands. A county, of course, has no such property right, and I am sure no one will point out to you a single case in which payments have ever been made by the Federal Government to a county; yet we find that this bill provides for direct payments to counties and no attempt is made to even make it appear that the payments are anything but taxes. Let me direct your attention to this language, on page 45, beginning on line 10:

Provided further, That the Corporation shall pay directly to the respective counties the 2-year average of county ad valorem property taxes (including taxes levied by taxing districts within the respective counties) upon power property and reservoir lands allocable to power, determined as above provided, and all payments to any such county within a State shall be deducted from the payment otherwise due to such State under the provisions of this section. The determination of the board of the amounts due hereunder to the respective States and counties shall be final.

In passing, you will notice that the tax is upon reservoir lands, as well as upon power property.

Let us consider for a moment the far-reaching effect of legislation of this type even if we were to assume, for the sake of argument, that it is constitutional. If a county in Tennessee is entitled to taxes from the Federal Government because of the location within the county of a Government-owned generating plant, dam or reservoir lands, why is not every county in the United States entitled to taxes upon post-office property, upon lands used in connection with flood dams, Army posts, and the like? In this connection we might also include the vast properties that have been taken from the tax rolls in recent years by housing projects.

You will probably hear it said that a distinction should be made where the Government instrumentality is engaged in business for profit. I am sure you will find no exception in the lawbooks. Theoretically, I suppose, the Post Office Department is run for profit, or, at least, it endeavors to meet expenses. As a matter of fact, if a Government agency is engaged for profit, there is less reason to make payments in lieu of taxes to local communities. A flood dam, for example, brings no benefits to those who live near it. T. V. A., on the other hand, has brought great benefits to those who live within its area of operation in the form of reduced electric-power rates. The fact that they are made possible by Government subsidies, which means contributions from those who receive none of the benefits, is beside the point. In the hearings before the Military Affairs Committee it was testified by the Governor of Tennessee that the benefits derived by the people of that State through reduced electric-power rates were double the tax losses occasioned by the purchase of the properties of private utilities.

The point is made that the benefits are largely received by those who live in the larger cities, whereas the tax losses are more noticeable in the smaller counties. If that is true, I submit it is the problem of the State to adjust it through a consumer's tax on the users of the electric power or otherwise. I do not believe that the taxpayers in other States who can never receive any of the benefits of T. V. A. rates are going to be impressed with the argument that the constitution of the State would require the distribution of a consumers' tax to all counties of the State on the basis of population.

If you will refer to the amendment we have been asked to rush through in this eleventh-hour fashion, you will find other things which call for its defeat. For example, the percentages of payments provided for by the act are based upon gross proceeds—not net proceeds but gross proceeds. Therefore, whether T. V. A. makes any money or not, tax losses will be paid as provided for in this amendment, meaning that if net earnings are insufficient the loss will have to fall upon the Federal Treasury and Mr. Taxpayer, who may live thousands of miles away from the Tennessee Valley area, will be bearing his proportionate share of such tax losses.

If you had the time to examine the hearings before the Military Affairs Committee, and, of course, you have not in so short a space of time, you would find that some of the counties that will sustain the greatest losses, taxed the private utilities for all the traffic would bear when they had the opportunity to do so. A neighboring county, in which none of the property of the private utility was located, had to get along on much less. The passage of this amendment would perpetuate that inequality and injustice.

Through the press we are advised this morning that the National Defense Commission has approved plans for a \$65,000,000 expansion in electric power-producing facilities of the T. V. A. to permit increased production in defense industries centered in Tennessee. Lest we forget, T. V. A. was created on the theory that it was a national-defense project. Hundreds of millions of dollars have been poured into the project and now that we need electric power-producing facilities in the interest of national defense, we will be asked to appropriate at least \$65,000,000 more in order to build new plants. According to press accounts it will require 20 months to complete these plants after the funds become available. In other words, we build a project for national defense, but when we need it for national defense

we have to appropriate billions of dollars for a new project and wait at least 20 months before the same can be used. Apparently the only contribution T. V. A. has made to national defense is a yardstick and there seems to be some doubt about the yardstick.

Perhaps we might summarize the purpose of this amendment by the question, Shall the taxpayers of the United States who do not live in the Tennessee Valley area and who receive none of the benefits of this huge Government subsidy, pay the taxes of those who receive the benefits? If we pass this amendment, that is what will occur. In the light of these facts you can readily understand why the Military Affairs Committee conducted hearings for more than 10 days on this proposed legislation. By the same token you can realize how unwise it would be to reverse that committee after only 1 hour of discussion.

Mr. CANNON of Missouri. Mr. Speaker, I yield one-half minute to the gentleman from Arizona [Mr. MURDOCK].

Mr. MURDOCK of Arizona. Mr. Speaker, while I think it would have been better had this amendment been placed on some other bill, and while I know some Members have a fear that a far-reaching new policy is implied in this amendment which if adopted might plague us afterward, I have made up my own mind to vote for the amendment. It pertains to communities 2,000 miles from my home, and I have no other interest in it except that which every Member of this body should have, but its passage seems to me only a matter of fairness to all those States and communities immediately affected by the Tennessee Valley Authority. I think it very proper and generous of the representatives of Alabama and of the State of Tennessee that they are willing to support this measure which will deprive them of something according to the present provision of law and spread those payments around to several other States and communities.

As I understand it, the law originally provided that 5 percent of the revenue derived from the sale of T. V. A. power should be paid to the States of Alabama and Tennessee, and that considerable revenue has already been collected. This revenue was payable to the States in lieu of taxes on such property as might be destroyed by inundation or private property taken off the tax rolls. I further understand that schools and other public functions have been seriously handicapped because of a reduction in tax revenue and to which payments in lieu of taxes have not been distributed by the present law. This amendment, if passed, takes no money out of the United States Treasury, because the consumers pay the whole bill, and if what they pay is not distributed to the half dozen States concerned by the adoption of this amendment, these benefits will be paid to the original States in a manifestly unequal proportion. I want the schools and other local functions of government in a half dozen States to receive their due share of benefits.

A few days ago when a bill to readjust power rates at Boulder Dam was being considered by the House Committee on Irrigation and Reclamation, a change was made in the bill by which the States of Arizona and Nevada were to receive a fixed cash payment annually for a definite time in lieu of the provision in the present law of 18¾ percent of the surplus revenue derived from the sale of power. During the hearings the question arose concerning the payment of part of that sum annually to Mohave County, Ariz., and to Clark County, Nev., in which Boulder Dam is actually located. Although it was impossible to fix that matter rigidly, I had the feeling that justice requires the law to be so worded that Mohave County should receive special consideration in the division of the annual payment going to the State of Arizona. The same thing would apply to special consideration to Clark County, Nev., for a special portion of that revenue going to the State of Nevada because of sale of Boulder Dam power.

Is this a dangerous precedent? I think not, because of the fact that we are not appropriating money out of the Federal Treasury to make such payments. We are actually doing something like that in the far West in connection with the national forests and the grazing domain. A fraction, 25 percent I believe, of the revenue derived from the national

forests and also the revenue derived from the grazing districts, although collected as Federal revenue, is paid in due proportions to the counties in which the same is located.

I think the same thing could be done with regard to the revenue derived from national parks and monuments. For instance, we have almost a score of national parks and monuments in Arizona; admission to them is charged and some revenue thus accumulated. I think it only fair that counties containing these parks and monuments should get, say, 25 percent of the revenue collected in such parks and monuments. Of course, opponents point out that the counties and towns and the State receive certain benefits from such parks and monuments and that they at the present time raise less revenue than it takes to support them. This may be true, but in addition there are some heavy local expenses incurred in road building and policing and the like because of the presence of these parks and monuments.

To my mind the T. V. A. represents a great conquest of Nature by the hydraulic engineer. However, I think that as this great work comes to maturity and more nearly completion we shall find it is a marvelous social experiment, more hopeful and significant in its meaning for human progress than it is wonderful as an accomplishment of science. In the T. V. A., man is conquering Nature and making a better region for millions of our citizens. It would be too bad, it would be a shame, if schools and good government in those communities touching the T. V. A. should be financially starved through lack of tax revenue because of this material progress. The consumers of T. V. A. power are paying and repaying the cost of its construction. Therefore the consumers of the power, not the United States Government, should also foot the bill in appropriate fashion for suitable schools and proper local costs of government in all those communities reached by T. V. A. power.

Mr. CANNON of Missouri. Mr. Speaker, I yield 3 minutes to the gentleman from Massachusetts [Mr. McCORMACK].

Mr. McCORMACK. Mr. Speaker, in supporting the motion of the gentleman from Missouri that the House recede and concur in the Senate amendment, I do so with the strong conviction and feeling that the equities involved warrant such action being taken. We have a situation where rural counties in the States affected have had a large part of their taxable area taken away for purposes in connection with the carrying out of the T. V. A. program. Whether or not one opposed originally the T. V. A. program, it seems to me, should not determine his mind as far as this particular question is concerned. This question should be decided by us upon the merits of the facts involved in the question itself without regard to our own feeling about whether or not the T. V. A. legislation should have been enacted into law. I have examined the evidence in this case, and the testimony shown by the report of the joint committee investigating the Tennessee Valley Authority shows that in fixing the Authority's wholesale rates $12\frac{1}{2}$ percent of the Authority's wholesale revenue was included in order to produce an amount which, when added to the taxes actually paid by the Authority's distributors, would result in a percentage equivalent to that which was paid by private companies engaged in a similar operation. All these counties ask is the consideration that equity and justice call for under the circumstances.

In 3 minutes it is impossible to go into any detailed statement as to the effect of the taking away of such a large portion of the taxable area of the counties. They have to continue their responsibilities with respect to schools, roads, and the other responsibilities that devolve upon counties. The 5 percent as provided by present law should be increased to 10 percent in order to accomplish the objective which the provisions of the pending bill will accomplish if enacted into law. The counties are not receiving consideration now. Two States are, and four other States should. The cities are capable of obtaining compensation by way of taxation for that portion of the city property that is utilized in connection with the carrying out of the T. V. A. activities, but the rural counties are not. In all equity and justice, I respectfully

submit that they are entitled to the consideration that is called for in the provisions in the pending bill. [Applause.]

[Here the gavel fell.]

Mr. HARNESS. Mr. Speaker, this back-door raid upon the Federal Treasury in which administration forces and T. V. A. advocates have tacked this measure upon a relief appropriation bill is, to say the least, extraordinary. I must admit, however, that it is not without an ironic sense of fitness. It is the studied judgment of the House Committee on Military Affairs, reached after 10 weeks of exhaustive hearings, that the measure is unsound and without merit. If this dole is to be granted, therefore, it is fitting that it should be tacked onto this relief appropriation bill, where it may properly stand as still another example of pauperization of a sovereign State by the Federal Government.

The gentlemen who have addressed the House in its favor have failed to advance a single argument today which has not been painstakingly examined by the committee. Neither have they altered the several reasons why this measure should not be enacted. To attempt to drive the measure through under circumstances which permit only 1 hour of consideration and debate is simply to flout the committee which has given its earnest efforts and much of its time before rejecting the proposal.

This is not a problem of the Federal Government. This Government has already lavished gifts out of all proper proportion upon the State of Tennessee and the T. V. A. area. The equitable distribution of those gifts is the problem solely of the State of Tennessee, which that State can solve if she wills to do it. We are told that the State is helpless because she has no right under the constitution to reimburse those few counties which have been ruined by the T. V. A. If that is the case, and if the State of Tennessee accepts this largess from the Federal Government, it is the clear responsibility of that State to amend its constitution and enact legislation which will enable it to rescue these ruined counties.

All the arguments presented to the committee and now briefed in this short debate do not convince me that there is justice and equity in this Treasury raid to reimburse a few counties which have been ruined by tax losses while other counties are reaping profits to the extent of \$4,000,000 a year through the generosity of T. V. A. The cities of Chattanooga, Knoxville, Nashville, and Memphis are, so we are told, actually reaping this reward on the resale of power.

If such profits are accruing to favored communities, they obviously come at the expense of those counties which T. V. A. has forced into bankruptcy by the inundation of land, or by the purchase of private utilities properties, thus robbing these counties of tax revenues.

But if you will listen to the evidence, these are by no means the only profits accruing as a result of Federal generosity in the T. V. A. area. Read the report of Gordon R. Clapp, general manager of T. V. A., appearing at page 531 of the printed hearings on this subject before the House Committee on Military Affairs. Note this statement over Mr. Clapp's signature:

The Authority has made no field check of new industries located in the valley. The list is therefore based upon secondary sources, * * * and is necessarily incomplete. * * * The list has been limited to industries having 10 or more employees. According to the Census of Manufactures, there was a net increase of 543 in the total number of manufacturing establishments in the valley counties in the period 1933-37.

Immediately following there is a partial list of 128 new industries, roughly two-fifths of the total, showing the mere new construction investment of some \$15,000,000, and new employment estimates of some 15,000. Multiply that by $2\frac{1}{2}$ and you have a rough idea of another source of huge profits to Tennessee accruing from T. V. A. largess to the State. Scan that list of industries new to the valley and you will not find a single new source of investment and employment in the lot. When I point out to you that this is not a net addition to our national production and employment, I do not begrudge the valley this improvement. In fact, I congratulate the country and the valley in this addition to our productive capacity. The fact remains that this additional huge profit to Tennessee comes largely at the expense of other industrial

States just as surely as the profits to favored Tennessee communities come at the expense of the State's own ruined counties.

Look at T. V. A.'s own set of books for another interesting source of profit. If Tennessee has thus profited by T. V. A. power, think how Tennessee has profited by flood control and navigation. Since more than half of T. V. A. appropriations have gone for these purposes, then obviously the benefits to this area from flood control and improvements in navigation have even exceeded the direct profits from T. V. A. power.

Listen to the T. V. A. advocates still a moment longer. Listen to them extoll the recreational benefits accruing from this tremendous Federal largess. I am sure there are no dependable statistics on the subject, but at least let us consider these benefits real.

With these things in mind, is it not fair now to suggest that the State of Tennessee should find the means to distribute these benefits in a manner to meet its obvious responsibilities to its comparatively few ruined counties? Is it fair to the taxpayers of Indiana and the rest of the Nation to ask them to dig deeper into their pockets to discharge the responsibilities which this already overfavored State of Tennessee is shirking?

Although I am challenged on this question, there is grave doubt in my mind that this measure is even constitutional. This is the first time in our history, so I am informed, that the Congress has appropriated money for, or authorized money to be paid directly to counties. Certainly there is no way otherwise to force the State to distribute this money to its ruined counties.

I must remind you, also, of the future liabilities of the Federal Government implicit in the approval of this measure. There are literally hundreds of instances in which the Federal Government has taken millions of dollars of taxpaying property off of local and State tax duplicates. Our Federal housing projects are a notable example. If Tennessee counties, broken by T. V. A., may look for rescue by the Federal Treasury, then is it not fair and consistent for cities and counties all over the country to ask this Congress for full compensation for every cent of revenue of which this Federal Government has deprived them?

The question involved here is much larger than a mere dole in Tennessee, as important as that single question is. Even if this could be isolated as a single Treasury raid for the benefit of Tennessee, it could not be justified after a casual examination of the balance sheet. But the matter cannot be so isolated. If this measure is approved, the precedent will arise to plague and embarrass this body time after time in the future. If Tennessee ignores its immediate responsibilities in this instance on the shallow pretext of State constitutional limitations, why should not 47 other States find an equally shallow pretext for laying additional State burdens in the lap of Congress? Why should not the taxing units in my own State of Indiana find some pretext for asking Congress to reimburse them for the losses they have suffered at the hands of the United States Housing Authority, or some other New Deal agency which has complicated the local revenue problem by making serious inroads upon local sources of tax revenue?

The question is just that broad in its implications, and just that serious in its possibilities. Yet we are asked, during this utterly unthinking and shortsighted Treasury raid, in a single hour to approve a proposal which a competent committee has already rejected after hours and days of serious deliberation. I hope—I sincerely hope that this House will not be duped into approval of this measure at least until it has had an opportunity, certainly not available in this 1 hour, to understand fully the implications in the proposal.

Mr. CANNON of Missouri. Mr. Speaker, I yield one-half minute to the gentleman from Tennessee [Mr. KEFAUVER].

Mr. KEFAUVER. Mr. Speaker, my district is the hardest hit of any in the Tennessee Valley by virtue of this acquirement of power-company properties. A large part of the property of the Tennessee Electric Power Co. was located

in the 12 counties of my district. The power company paid from 12 to 42 percent of the taxes in these various counties. This Congress in its wisdom saw fit to authorize the purchase of this property by the Tennessee Valley Authority. If this amendment is not passed many counties in my district will be unable to carry on their schools and will default in the payment of bonds. They have for years collected taxes on this power-company property, which they had a right to expect to continue to remain there subject to taxation. Certainly no Member of this House will want to inflict this punishment upon the people, and especially the school children of these various counties, who through no fault of their own are placed in this pitiful plight.

The record shows—and there is no word of testimony to the contrary—that the Tennessee Valley Authority has added 12½ percent to its power rates as a tax fund. So the consumers of electricity are paying an additional amount which is in excess of the percentage that will be taken from the sales of electricity to replace county taxes. This payment is in the nature of a trust fund, and certainly an amount should be taken from it sufficient to at least meet the acute situation that these counties are confronted with.

I hope that no Member of the House thinks that this is full tax replacement. As a matter of fact, the State of Tennessee will still lose almost all of its business taxes on power utilities, and the counties will lose some taxes on personal property. I also want to call attention to the fact that in the counties having land covered by reservoirs resulting from dams built by the Tennessee Valley Authority, that the counties will receive replacement on only that part of the land allocated to power. The allocation now set up by the Tennessee Valley Authority on such land is 40 percent of its value. I feel that the whole tax loss on this land should be replaced and presented an amendment to the Military Affairs Committee for that purpose, but, of course, the Senate amendment under parliamentary procedure cannot be amended. So that, even if this bill is passed, the counties, unfortunately, will have to suffer that substantial loss.

The Tennessee Valley Authority is of great value in the national-defense program. It is earning, and will earn, enough money to amortize the power investment in 47 years, and in addition restore the taxes to the counties. Whether or not you agree with the Tennessee Valley Authority is not the issue now presented. The Tennessee Valley Authority is a reality and certainly you do not want to penalize the counties and people in the valley. The very fair attitude of Alabama demonstrates conclusively the justice of this proposal. The enactment of this legislation will reduce the amount that goes to Alabama, but the Representatives from Alabama, being statesmen and wanting to do the fair thing, favor this bill. I think it is a commendable attitude on their part.

I urge you, my colleagues, to place yourselves in the situation of the people of these counties. They are not responsible for the plight they are in. This amendment is fair, reasonable, and just. I hope that you will support it. [Applause.]

Mr. CANNON of Missouri. Mr. Speaker, I yield 3 minutes to the gentleman from Texas [Mr. RAYBURN].

Mr. RAYBURN. Mr. Speaker, it matters not whether some of us ever agreed that the Tennessee Valley Authority should be set up to do the work it is doing or not. The Congress by its action did set up the Tennessee Valley Authority. Congress did approve the building of these dams. Congress did appropriate the money to build them. They are there, and whether the individual community wanted the dam to cover up its property or not, the dam has been built and the property, so far as taxable purposes are concerned, has been destroyed to the local communities.

This is not a matter of the State of Tennessee alone; it is a matter of the little communities that are trying to survive in the counties that have had a great deal of their taxable values taken away from them by an agency that is making money out of having destroyed their taxable values.

It seems to me, after reading this proposed amendment or compromise that is now before the House, that it is nothing less than fair, nothing less than right, that for a

few years to come this contribution to these communities to support their schools and their other institutions is not an unfair thing for them to ask or for the Congress of the United States to grant.

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

Mr. RAYBURN. If I have the time; yes.

Mr. RANKIN. This money is already collected from these consumers. There is 12½ percent added to the wholesale rate for this purpose, and if you kill this provision they will simply reduce the wholesale rate for the benefit of the whole area, and these little communities whose lands were flooded will be the ones that will have to suffer.

Mr. RAYBURN. That is correct, I think, and that is an added reason why these communities should be granted the relief sought by the amendment pending in the House at the present time. [Applause.]

Mr. CANNON of Missouri. Mr. Speaker, I yield to the gentleman from Mississippi [Mr. RANKIN] such time as he may require.

Mr. RANKIN. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD at this point.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

Mr. RANKIN. Mr. Speaker, if the Members on the other side of the House who have been clamoring for these consumers to pay taxes, have been sincere, they cannot afford to vote against this provision. Their vote will demonstrate just how serious they are in their demands for the consumers of T. V. A. power to pay taxes, because if this provision is defeated the T. V. A. will then reduce the wholesale rates by taking off the extra charge now collected to take care of these items. That would benefit the power consumers of the whole area at the expense of these small areas whose lands have been flooded and removed from the tax rolls.

This is a just proposition, and I hope it will be sustained by an overwhelming majority. [Applause.]

Mr. CANNON of Missouri. Mr. Speaker, I yield 10 minutes to the gentleman from Kentucky [Mr. MAY].

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

Mr. MAY. I yield.

Mr. DONDERO. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD on this subject at this point.

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

There was no objection.

Mr. DONDERO. Mr. Speaker, amendment No. 68 of the pending relief bill, House Joint Resolution 544, in disagreement before the House seeks to amend section 13 of the Tennessee Valley Authority Act of 1933 to provide that a part of the revenue received from the sale of power in the States invaded by the T. V. A. shall be returned and paid back to the school districts, cities, counties, and municipalities for taxable property lost or destroyed by the operations of the T. V. A.

This would establish one of the most dangerous precedents in the history of this Government. If the principle involved in the pending amendment was carried out and extended to all the operations of the Federal Government, it would mean that every municipality, every taxing unit, and every State in the Union ought to demand from the Government of the United States reimbursement for property taken in order to carry out the necessary functions of Federal authority. Every city that has a post office, every State that has a Federal highway, every water course that has a navigable channel which has been dredged from taxable property, should immediately file a claim with Congress to be reimbursed for taxable property taken from the tax rolls of such taxing units.

I have opposed the establishment of the T. V. A. from its very inception on the ground that it was extending the hand of the Federal Government into private business and in competition with private enterprise. Its plain import is nothing less than national socialism.

The T. V. A. is one of the greatest swindles ever perpetrated upon the American people and some day, when the full and complete truth becomes known and the ultimate results are

made apparent to the people, those results will rival the Mississippi Bubble of more than two centuries ago.

Every good engineer in this country knows that with very few exceptions it costs less to generate electric energy by steam than by hydroelectric power. In order that the people might not know, and in order to deceive the American public, the program of the T. V. A. is to shift \$215,000,000 of this gigantic scheme out of an estimated cost of more than \$500,000,000 to flood control and navigation.

It is known that navigation on the Tennessee River costs twice as much as transportation by rail, and not including taxes.

Nearly 1,000,000 acres of the best agricultural land in Tennessee have actually been destroyed by this gigantic scheme, which represents an area double the acreage ever destroyed by floods by natural causes.

Strip this whole deceptive program of its trick bookkeeping and window dressing and the net result is a waste of public money, a destruction of free enterprise, thwarting of individual ownership, and a staggering blow to the economic system of the United States.

In 1933 the estimated value of the entire T. V. A. was \$132,000,000. At the present time approximately \$375,000,000 has been expended on the Tennessee River in furthering and expanding this national socialism. It was only spent as a power project and has very little use either for flood control or navigation. Commerce on the Tennessee River is negligible and the building of the vast dams for flood control is sheer hypocrisy, for if the dams are empty they cannot be used for power; if they are full, they are useless for flood control.

The actual income of the T. V. A. from the sale of power in 1937 was less than \$2,000,000. The greater part of the huge investment of \$375,000,000 has been expended for the purpose of developing hydroelectric power. The return on this enormous investment is less than one-half of 1 cent.

If the T. V. A. desired to present to the American people an honest picture of this foolish investment and tried to make income justify the enormous expenditure, it would have to increase its present rate nearly 2 cents per kilowatt-hour. That rate then would be higher than the average cost of electric energy throughout the entire country as now furnished by private enterprise.

For over 7 years I have listened to absurd and exaggerated statements made on this floor of the great possibilities of the T. V. A. I have, also, listened to the unbelievable and ridiculous statements made in this House that the American user of electric energy was being overcharged \$1,000,000,000 annually by private enterprise.

If the reports of the Federal Power Commission are correct, and no one has ever challenged their accuracy, the total amount of electric energy, according to the latest report, used and paid for by the people of this Nation amounted to \$2,000,000,000, from which private utilities were compelled to pay in taxes, cost of maintenance and operating, approximately \$1,400,000,000, leaving \$600,000,000 for other purposes.

The absurdity of the claim made that utilities are overcharging the users of electric energy \$1,000,000,000 annually needs no further explanation from me.

The pending amendment should be defeated and the municipal tax units in the States affected, who clamored for this glorified project, should meet the problems which they themselves invited. The Federal Government has been a Santa Claus. Gentlemen, this amendment seeks another bag of gifts to be paid for by the taxpayers of my congressional district and throughout all the States in order to continue the expensive luxury of a Federal enterprise that cannot justify its economic position.

I hope, Mr. Speaker, that this amendment will be voted down and the people of the Nation spared the further humiliation of paying for a white elephant that should never have been born.

Mr. MAY. Mr. Speaker, I have felt the vital importance of this matter so keenly that I regret exceedingly there is not opportunity for greater and more lengthy discussions. As

said by the gentleman from Illinois [Mr. DIRKSEN], we are proposing here something altogether new in the system or form of the American Government under which we live.

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

Mr. MAY. I am sorry I cannot yield just now, and I hope my colleague will not interrupt me, for this is too important.

Let me say to begin with that this is a permanent tax. It is not only a permanent tax but it is a tax that will spread out over the country wherever the T. V. A. shall extend its operations, and it is now admitted that it is in seven States already, and probably, with the national-defense move under way and a Budget estimate and proposal sent here today to the Congress for \$65,000,000 for the T. V. A. for the construction of dams and powerhouses, there is no telling where it will spread and there is no telling in what communities it will destroy tax values and schools and other governmental activities all over the country.

There is another vital matter involved here that I want to call to the attention of the House. The House itself is on trial in this matter. One of the major committees of the House is being tried today, because this is nothing more or less than a back-door form of effort on the part of another body to disregard and override the Military Affairs Committee of the House of Representatives, which it has already done on three different occasions. I am here today defending the jurisdiction and rights of a major committee of this House against the overriding and roundabout way of telling the House of Representatives that its committee cannot write legislation after 6 or 8 or 10 weeks of hearings, and then after many hours and weeks of consideration in executive session.

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

Mr. MAY. I am sorry, but I cannot yield at this time. There is another thing about it that I want you to catch, and that is this. The bill upon its face tells you that it ought to be defeated. Why? It starts out and says to you that it takes 10 percent of the gross receipts in 1940 to pay these tax bills, and then it tells you that 5 percent of them 8 years from now is enough. Why? Because there is going to be such an increase in business enterprise and manufacturing plants, 785 of which have already entered that valley, that they will have revenue enough to pay with a 5-percent tax.

Mr. REECE of Tennessee. Mr. Speaker, will the gentleman yield on the question of tax?

Mr. MAY. I cannot yield at this time.

Mr. REECE of Tennessee. I want to give the gentleman some facts about the matter.

Mr. MAY. I am sorry, I cannot yield. I know five times as much about this as the gentleman does. The proof before our committee shows that the people of Tennessee alone have made a saving of \$7,600,000 in the rates, and their whole tax bill is only \$3,500,000. In addition to that, when that good-looking, handsome, little Governor of Tennessee came before our committee and spent 3 hours on the witness stand singing the praises of the T. V. A. and we asked him about levying a sales tax in Tennessee to take care of this thing, he wilted and almost fainted, because he is a candidate for reelection and a sales tax is not popular. What else have they got? They have navigation for 650 miles on that river, and they have erosion prevention, and cheap fertilizer distributed all over that valley at cost, and yet the gentleman from Texas [Mr. RAYBURN], the floor leader, talks about the equity of this thing, and the whole story is just like saying, Now we will build a great highway from the north to the south and we will improve the properties and the values of everything in every State, every county, and every municipality through which it goes, and because Uncle Sam, out of his Treasury and out of the pockets of his taxpayers all over America, does that he must be penalized to a further extent of creating a tax for all time to come, with business increasing and coming there every week and every day.

Someone said that there was not a man that ever appeared to oppose this measure. That is correct; and why? Because everybody in that area is getting something out of it, and that is the reason why nobody appeared in opposition to it.

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

Mr. MAY. No; I cannot yield.

Mr. SPARKMAN. The gentleman will not say that Alabama is getting anything out of it.

Mr. MAY. I will say that Alabama is going to be hurt by it, because it will take away from Alabama some things she has now, and there are some little taxing districts and school districts and other organizations in that country that will suffer. But if we are going to have Government ownership, and Government operation of utilities, and Government competition with private industry, we might as well get our lesson now, so we will know hereafter what it is going to be. These people are getting a taste of it, and we might as well have a taste here and now and let us see what it is going to be. [Applause.] It is going to be a bitter dose in a vile form of state socialism like Russia and Germany.

In addition to that, I have a letter here from a man named John M. Carmody, Administrator of the Work Projects Administration and of the Public Works Administration, and he tells me that the States of Tennessee, Alabama, Mississippi, and Georgia, only four of the seven, have received already grants and gifts amounting to \$46,000,000, and loans for \$113,000,000. Stick that up on top of the hundreds of millions of dollars already spent, and then wait until under the name of national defense, under the cloak of defense of this country, Mr. Lilienthal comes to Washington and goes into conference with Mr. Stettinius, of the Defense Committee, and they talk of the necessity for another steam plant and another dam the Congress has not yet authorized, and want \$65,000,000 for that. In the name of God, you men of the North and the South and the East and the West, how are you going to go home to your constituents and say that, in the face of a great peril that hangs over American liberty and freedom, in the face of a military despotism threatening over our heads, you voted to take money out of the Federal Treasury and give it to a group of people that has already had everything in the world that heart could wish? I have great sympathy for the suffering communities in that great section.

Do you know they have 8,000 miles of water shore lines when this thing is completed? They have millions of acres of playgrounds. They have flood control and navigation of the river. They have soil-erosion prevention. There have been planted millions of trees in the State of Tennessee alone. They have soil-erosion prevention until the hillsides have been terraced, fertilized, and graded; until they are a green carpet, while in your State and my State soil erosion goes on with its vicious process of deterioration, destroying our farms. All paid from revenues contributed by American taxpayers.

Now, if you can justify further invasion of private industry, and allow the T. V. A. directors and other of their representatives to go out and say to the people of any and every community, whose schools and other public functions are paid for by the owner of private property of any kind, "The T. V. A. will pay your taxes. Do not worry about them. They will be paid by T. V. A." You thereby disarm every private owner of the last defense they have against being absorbed and taken over. You may rest assured that this thing will surely return to haunt this body. [Applause.]

Mr. CANNON of Missouri. Mr. Speaker, I yield to the gentleman from Texas [Mr. THOMASON] 2 minutes.

Mr. THOMASON. Mr. Speaker, I regret that, along with the feeling and prejudice that my good friend the gentleman from Kentucky [Mr. MAY] manifests, he refused to yield for at least one or two questions, because I remember there is an old adage that "consistency is a jewel." The gentleman says he wishes we had more time to discuss this very important bill. That would have been very easy if, after several months of careful deliberation by the House Military Affairs Committee, that committee had not, by a tie vote, with the gentleman from Kentucky [Mr. MAY] voting against the bill, refused to even let the bill or anything akin to it come out here on the floor for full and fair discussion.

As the majority leader [Mr. RAYBURN] said, to my mind this is a question of justice and equity and of doing the right and fair thing by some innocent people and communities. It is not a question of how you felt when the T. V. A. was

established, because my good friend from Kentucky helped to establish it and he now condemns the thing for which he voted. It is his child along with the balance of us. As the gentleman from Texas said, the dams are there; T. V. A. is a reality and we ought to do justice.

Last year when the question of the sale of the properties of the Commonwealth & Southern Electric Co. came up for consideration in this body, a man about whom we hear much now, Mr. Wendell Willkie, came here and urged the passage of that act. As a result of it, he sold the private companies of the Commonwealth & Southern in the State of Tennessee for a very handsome sum, as everybody admits, and to the satisfaction of every stockholder of that great company. As the result of that, every little county in the State of Tennessee where that company operated or had a plant has lost from its tax rolls its largest taxpayer. They were represented here at that time and begged for protection or replacement of taxes concurrent with the sale of the properties. One of the grandest men who ever sat in this House, Hon. Sam McReynolds, was then on his deathbed. He sent for me and pleaded for equity and justice for these small counties and communities. That bill had to come here as this one has done, as a rider on a Senate bill. That is not the proper way to legislate, but there is nothing else to be done when the appropriate committee refuses to report out anything so that we may have full and fair discussion. This will be no precedent. The Boulder Dam bill, passed by a Republican House, replaces taxes. The same is done in national forests and under the Taylor Grazing Act. Let us do justice in this matter.

I also rejoice that the National Defense Committee, headed by Mr. Stettinius and a great utility executive have asked for more money for T. V. A. The time is coming when T. V. A. will be one of our greatest assets for national defense. [Applause.]

[Here the gavel fell.]

Mr. CANNON of Missouri. Mr. Speaker, I yield to the gentleman from Tennessee [Mr. Pearson] 2 minutes.

Mr. PEARSON. Mr. Speaker, I wish I could have the especial attention of my friends on the Republican side, who evidenced so much enthusiasm at the conclusion of the remarks of the gentleman from Illinois [Mr. DIRKSEN], and the gentleman from Kentucky [Mr. MAY], particularly those of the gentleman from Illinois [Mr. DIRKSEN] with reference to the principle which is being established in this bill. The gentleman from Illinois insists that this legislation will establish a new principle in taxation. I want to call their attention to the fact that there is no new principle involved in this measure, but that the principle was established when the Tennessee Valley Authority was created. At that time Senator VANDENBERG, of Michigan, on the floor of the Senate, moved to strike section 13 from the original act because it carried a provision for 5 percent to reimburse the States of Tennessee and Alabama for their lost revenues. At that time Senator NORRIS, who is the author of the act creating the Tennessee Valley Authority, fully and explicitly explained to the Senate and to the Congress that that 5 percent was being carried in the act for the express purpose of taking care of lost revenues brought about by acquisition of properties by the Tennessee Valley Authority, and which would work a hardship and injustice against the people of those States unless they were taken care of. After that explanation Congress deliberately approved of an assessment of 5 percent to cover tax losses.

This bill follows that principle. The only difference is that it provides for an increase of 5 percent, to be graduated over a period of 8 years and finally reduced to the original 5 percent. This increase is necessary because the tax losses are now far in excess of the amount contemplated when the Authority was created.

There is a great deal of misunderstanding about this measure and it seems to be in the minds of some that this is money which will come from the Federal Treasury, money which your constituents and mine will have to pay, when the truth of the matter is the entire sum comes from the pockets of the consumers of power in the Tennessee Valley

area. They are paying it now. This bill is for the purpose of giving the Authority the legal right to pay this money which the consumers are paying now, back to the States and counties in order to preserve their very existence.

We urge and beg the Members of this House to give us this right, to the end that the 8,000,000 people of that area may have their rights, despite the fact that the chairman of the Military Affairs Committee of this House feels that the prerogatives of his committee are being invaded. Such an invasion is an insignificant incident when compared to the distress of the States and counties affected by this legislation. Past experience convinces us beyond question that we can expect no relief no matter how badly needed at the hands of the Committee on Military Affairs. [Applause.]

[Here the gavel fell.]

Mr. CANNON of Missouri. Mr. Speaker, I yield to the gentleman from Massachusetts [Mr. GIFFORD] one-quarter of a minute.

Mr. GIFFORD. Mr. Speaker, a further quotation from Senator NORRIS:

If the T. V. A. shall be subject to local taxation it would be out of business in 3 months (CONGRESSIONAL RECORD, April 13, 1939).

Beautiful yardstick! Nakedness exposed! [Laughter and applause.]

[Here the gavel fell.]

Mr. CANNON of Missouri. Mr. Speaker, I yield to the last speaker on the amendment, the gentleman from Tennessee [Mr. COOPER], the 3 remaining minutes.

Mr. COOPER. The question here presented is not the general T. V. A. issue. This provision included in the bill now under consideration is based upon the essential elements of fairness and equity. I want to emphasize the point made by those who have preceded me by saying that this question simply presents this issue to the House today, whether the people of the Tennessee Valley area who are now paying this money that is included in the rate structure of the Tennessee Valley Authority shall receive some of it back in the form of tax replacement. The only purpose of this provision is to take that money paid in by these users of electrical energy and pay it to these counties and local subdivisions of government.

The original Tennessee Valley Authority Act provided, in section 13, that 5 percent of the gross proceeds from power should go to the States of Tennessee and Alabama. Now this has spread over four other States to some extent. The States of North Carolina, Mississippi, Kentucky, and Georgia do not get anything at all under the act as it now stands. This amendment will make it possible for them to receive their proportionate share of this amount of money that is paid in by the consumers of electrical energy and can be distributed to the counties and the local subdivisions to provide some of the tax replacement necessary for them to maintain their solvency.

This is based upon the essential elements of fairness and equity and should receive the overwhelming approval of the House.

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

Mr. COOPER. I yield.

Mr. KEFAUVER. Does not the State of Alabama actually lose considerable revenue by the enactment of this amendment?

Mr. COOPER. That is true; there is no question about that.

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

Mr. COOPER. I yield.

Mr. LEAVY. As I understand this legislation, it does not even delay the retirement of the Tennessee Valley's obligation to the Federal Treasury because gross receipts have increased substantially beyond original calculations, and no money comes out of the Federal Treasury.

Mr. COOPER. That is absolutely true. Not one dollar of it comes out of the Federal Treasury.

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

Mr. COOPER. I regret I cannot yield.

There is not one dollar that comes out of the Federal Treasury. All this money is paid in by the consumers of the electrical energy they purchase from the T. V. A. This amendment is simply to make it possible for the money that is paid in by the people themselves to be paid back to the counties or local taxing subdivisions to protect their school systems and provide for other expenses that they have to incur to maintain their local government. [Applause.]

[Here the gavel fell.]

Mr. CANNON of Missouri. Mr. Speaker, I move the previous question on the motion to recede and concur.

Mr. MAY. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. MAY. As I understand the parliamentary situation, a vote "aye" on the motion to recede and concur means that the amendment will be agreed to and the vote "no" is a vote against the amendment.

The SPEAKER. That is a correct statement of the parliamentary situation.

Without objection, the previous question will be ordered.

There was no objection.

The SPEAKER. The question is on the motion to recede and concur.

The question was taken; and on a division (demanded by Mr. CANNON of Missouri) there were—ayes 154, noes 155.

Mr. CANNON of Missouri. Mr. Speaker, I ask for the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 205, nays 179, answered "present" 1, not voting 46, as follows:

[Roll No. 160]

YEAS—205

Alexander	Eberharter	Kennedy, Md.	Pierce
Allen, La.	Edelstein	Kennedy, Michael	Poage
Anderson, Mo.	Elliott	Keogh	Polk
Angell	Ellis	Kerr	Rabaut
Barden, N. C.	Evans	Kilday	Ramspeck
Bates, Ky.	Fay	Kirwan	Rankin
Beckworth	Ferguson	Kitchens	Rayburn
Bland	Fernandez	Kleberg	Reece, Tenn.
Bloom	Fitzpatrick	Kocalkowski	Richards
Boland	Flaherty	Kramer	Robinson, Utah
Boren	Flannagan	Lanham	Robison, Ky.
Boykin	Flannery	Larrabee	Ryan
Bradley, Pa.	Folger	Leavy	Sacks
Brooks	Ford, Miss.	Lesinski	Sasacer
Brown, Ga.	Ford, Thomas F.	Lewis, Colo.	Schulte
Bryson	Fries	Ludlow	Schwert
Buck	Fulmer	Lynch	Scruggam
Buckler, Minn.	Garrett	McAndrews	Shanley
Bulwinkle	Gathings	McCormack	Shannon
Burdick	Gavagan	McGehee	Sheppard
Byrne, N. Y.	Gehrman	McGranery	Smith, Conn.
Byrns, Tenn.	Geyer, Calif.	McKeough	Smith, Ill.
Byron	Gibbs	McMillan, Clara	Smith, Wash.
Camp	Gore	McMillan, John L.	Snyder
Cannon, Fla.	Gossett	Magnuson	Somers, N. Y.
Cannon, Mo.	Grant, Ala.	Mahon	Sparkman
Chapman	Green	Malone	Spence
Clark	Gregory	Mansfield	Starnes, Ala.
Cochran	Griffith	Marcantonio	Steagall
Coffee, Wash.	Hare	Massingale	Summers, Tex.
Colmer	Hart	Mills, Ark.	Sweeney
Connery	Havener	Mills, La.	Tarver
Cooley	Healey	Mott	Tenerowicz
Cooper	Hendricks	Mouton	Terry
Costello	Hennings	Murdock, Ariz.	Thomas, Tex.
Courtney	Hill	Murdoch, Utah	Thomason
Cox	Hinshaw	Myers	Tolan
Creal	Hobbs	Nelson	Vinson, Ga.
Crosser	Hook	Nichols	Voorhis, Calif.
Crowe	Hull	Norrell	Wallgren
Cullen	Hunter	Norton	Walter
Cummings	Izac	O'Connor	Ward
Davis	Jacobsen	O'Day	Warren
Delaney	Jarman	O'Leary	Weaver
Dempsey	Jennings	O'Toole	West
Dies	Johnson, Luther A.	Pace	Whelchel
Dingell	Johnson, Lyndon	Patman	Whittington
Doughton	Johnson, Okla.	Patrick	Williams, Mo.
Doxey	Jones, Tex.	Patton	Zimmerman
Duncan	Kefauver	Pearson	
Dunn	Keller	Peterson, Fla.	
Durham	Kennedy, Martin	Peterson, Ga.	

NAYS—179

Allen, Ill.	Arends	Barton, N. Y.	Bolles
Allen, Pa.	Arnold	Bates, Mass.	Bradley, Mich.
Andersen, H. Carl	Austin	Beam	Brewster
Anderson, Calif.	Ball	Bell	Brown, Ohio
Andresen, A. H.	Barnes	Bender	Burch
Andrews	Barry	Blackney	Carlson

Carter	Grant, Ind.	McGregor	Schuetz
Case, S. Dak.	Gross	McLaughlin	Seecombe
Church	Gwynne	McLean	Secret
Clason	Guyer, Kans.	McLeod	Seger
Claypool	Hall, Edwin A.	Maciejewski	Shafer, Mich.
Clevenger	Hall, Leonard W.	Marshall	Short
Cluett	Hancock	Martin, Ill.	Simpson
Coffee, Nebr.	Harness	Martin, Iowa	Smith, Maine
Cole, Md.	Harter, N. Y.	Martin, Mass.	Smith, Ohio
Cole, N. Y.	Hartley	Ma-on	Smith, Va.
Corbett	Hess	May	Smith, W. Va.
Cravens	Hoffman	Michener	Springer
Crawford	Holmes	Miller	Stearns, N. H.
Crowther	Hope	Monkiewicz	Stefan
Culkin	Houston	Moser	Sumner, Ill.
Curtis	Jarrett	Mundt	Sutphin
D'Alesandro	Jeffries	Murray	Sweet
Darden, Va.	Jenks, N. H.	O'Brien	Taber
Dirksen	Jensen	Oliver	Talle
Ditter	Johns	O'Neal	Thill
Dondero	Johnson, Ill.	Osners	Thorkelson
Douglas	Johnson, Ind.	Parsons	Tibbott
Dworshak	Jones, Ohio	Pittenger	Tinkham
Eaton	Jonkman	Powers	Treadway
Edmiston	Kean	Reed, Ill.	Van Zandt
Elston	Keefe	Reed, N. Y.	Vincent, Ky.
Engel	Kelly	Rees, Kans.	Vorys, Ohio
Faddis	Kilburn	Rich	Vreeland
Fenton	Kinzer	Robertson	Wadsworth
Fish	Knutson	Rockefeller	Wheat
Ford, Leland M.	Kunkel	Rodgers, Pa.	White, Ohio
Gamble	Lambertson	Rogers, Mass.	Wigglesworth
Gartner	Landis	Routzohn	Winter
Gerlach	Lea	Rutherford	Wolcott
Gifford	LeCompte	Sandager	Wolfenden, Pa.
Gilchrist	Lewis, Ohio	Satterfield	Woodruff, Mich.
Gillie	Luce	Schaefer, Ill.	Woodrum, Va.
Goodwin	McArdle	Schafer, Wis.	Youngdahl
Graham	McDowell	Schiffner	

ANSWERED "PRESENT"—1

Gearhart

NOT VOTING—46

Boehne	Dickstein	Lemke	Sheridan
Bolton	Disney	Maas	South
Buckley, N. Y.	Drewry	Merritt	Sullivan
Burgin	Englebright	Mitchell	Taylor
Caldwell	Halleck	Monroney	Thomas, N. J.
Cartwright	Harrington	Pfeifer	Welch
Casey, Mass.	Harter, Ohio	Plumley	White, Idaho
Celler	Hawks	Randolph	Williams, Del.
Chiperfield	Horton	Risk	Wolverton, N. J.
Collins	Jenkins, Ohio	Rogers, Okla.	Wood
Darrow	Johnson, W. Va.	Romjue	
DeRouen	Kee	Sabath	

So the motion was agreed to.

The Clerk announced the following pairs:

On this vote:

Mr. Caldwell (for) with Mr. Wolverton of New Jersey (against).
 Mr. Sullivan (for) with Mr. Jenkins of Ohio (against).
 Mr. Lemke (for) with Mr. Thomas of New Jersey (against).
 Mr. Celler (for) with Mr. Plumley (against).
 Mr. Buckley of New York (for) with Mr. Halleck (against).
 Mr. Gearhart (for) with Mrs. Bolton (against).
 Mr. Dickstein (for) with Mr. Chiperfield (against).
 Mr. Merritt (for) with Mr. Maas (against).

General pairs:

Mr. Burgin with Mr. Risk.
 Mr. Collins with Mr. Horton.
 Mr. Drewry with Mr. Englebright.
 Mr. South with Mr. Williams of Delaware.
 Mr. Boehne with Mr. Hawks.
 Mr. DeRouen with Mr. Darrow.
 Mr. Cartwright with Mr. Welch.
 Mr. Rogers of Oklahoma with Mr. Casey of Massachusetts.
 Mr. Sheridan with Mr. Disney.
 Mr. Harrington with Mr. Randolph.
 Mr. Monroney with Mr. Harter of Ohio.
 Mr. Romjue with Mr. Kee.
 Mr. Johnson of West Virginia with Mr. Taylor.
 Mr. White of Idaho with Mr. Mitchell.

MESSRS. EBERHARTER and SCHWERT changed their vote from "nay" to "yea."

Mr. GEARHART. Mr. Speaker, I have an active pair with the gentlewoman from Ohio, Mrs. BOLTON, which I am under obligation to respect. I ask that I may be permitted to withdraw my vote "yea" and to be recorded as voting "present."

The result of the vote was announced as above recorded.

On motion of Mr. CANNON of Missouri, a motion to reconsider the votes by which action was taken on the various motions was laid on the table.

PERMISSION TO ADDRESS THE HOUSE

Mr. WOODRUFF of Michigan. Mr. Speaker, I ask unanimous consent to proceed for 1 minute.

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

There was no objection.

Mr. WOODRUFF of Michigan. Mr. Speaker, I take this time in order to announce to the House that at 4 o'clock, in the Ways and Means Committee room of the new House Office Building, there will be moving pictures of the recent experiments of the new explosive glinite shown for the benefit of the Members. I may say I have known Mr. Lester P. Barlow for 20 years. He is the gentleman who has perfected this explosive.

I understand the Bureau of Standards has pronounced glinite to be 30 percent more powerful than TNT. With that in mind, and also having in mind the reluctance of the War Department to proceed further with these experiments, I ask the Members of the House to go to the Ways and Means Committee room at 4 o'clock and see for themselves just what this explosive is and what it can do to help meet the serious condition now confronting the country in its efforts to provide a proper national defense.

[Here the gavel fell.]

DEPARTMENT OF AGRICULTURE APPROPRIATION BILL, 1941— CONFERENCE REPORT

Mr. CANNON of Missouri. Mr. Speaker, I call up H. R. 8202, making appropriations for the Department of Agriculture for the fiscal year ending June 30, 1941, and for other purposes, and ask for the immediate consideration of the Senate amendments.

The Clerk read the title of the bill.

The Clerk read the Senate amendments, as follows:

Senate amendment No. 65: Page 60, line 18, strike out "\$5,644,801" and insert "\$6,773,093."

Senate amendment No. 66: Page 58, line 16, strike out "\$867,648" and insert "\$878,168."

Mr. CANNON of Missouri. Mr. Speaker, I move that the House recede from its disagreement to the Senate amendments and agree to the same severally with an amendment, which I send to the Clerk's desk.

The Clerk read as follows:

Mr. CANNON of Missouri moves that the House recede from its disagreement to the amendments of the Senate Nos. 65 and 66 and agree to the same severally with amendments as follows: In lieu of the sum proposed by said amendment No. 65, insert "\$5,733,217"; and in lieu of the sum proposed by said amendment No. 66 insert "\$868,458."

Mr. CANNON of Missouri. Mr. Speaker, this merely corrects totals in the bill. When the bill passed the Senate there still remained two totals to which the House had not agreed.

Mr. TABER. May I ask whether there is anything in here except a correction of totals?

Mr. CANNON of Missouri. Nothing at all except the correction of two totals.

Mr. TABER. Does this conclude the consideration of the Department of Agriculture appropriation bill?

Mr. CANNON of Missouri. This is the final action on the bill.

Mr. Speaker, I move the previous question.

The previous question was ordered.

The motion was agreed to.

A motion to reconsider was laid on the table.

AUTHORIZING TRANSFER OF FUNDS TO COVER ADVANCES FOR CROP INSURANCE

Mr. JONES of Texas. Mr. Speaker, I call up the conference report on the bill (H. R. 9594) to amend section 12 (b) of the Soil Conservation and Domestic Allotment Act, as amended, by authorizing the transfer of funds to cover advances for crop insurance.

The Clerk read the title of the bill.

The conference report and statement are as follows:

CONFERENCE REPORT

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 9594) to amend section 12 (b) of the Soil Conservation and Domestic Allotment Act, as amended, by authorizing the transfer of funds to cover advances for crop insurance, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendments of the Senate numbered 1, 2, 3, 4, 5, 6, and 8, and agree to the same.

That the House recede from its disagreement to the amendment of the Senate numbered 7 and agree to the same with an amendment as follows: Strike out "to make grants of aid" in such amendment and insert in lieu thereof "to make advances"; and the Senate agree to the same.

That the House recede from its disagreement to the amendment of the Senate to the title of the bill.

MARVIN JONES,
H. P. FULMER,
WALL DOXEY,
CLIFFORD R. HOPE,
J. ROLAND KINZER,

Managers on the part of the House.

J. H. BANKHEAD,
CARL A. HATCH,
ALEXANDER WILEY,

Managers on the part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 9594) to amend section 12 (b) of the Soil Conservation and Domestic Allotment Act, as amended, by authorizing the transfer of funds to cover advances for crop insurance, submit the following statement in explanation of the effect of the action agreed upon by the conferees and recommended in the accompanying conference report:

The House bill amends section 12 (b) of the Soil Conservation and Domestic Allotment Act, as amended, by authorizing the Secretary to transfer to the Federal Crop Insurance Corporation, prior to the execution of applications for insurance or requests for advances by producers, the funds estimated as necessary to cover advances which will be requested for the payment of premiums under the crop-insurance program. Any portion of such funds not used for advances to producers under such program is to be returned to the Secretary by the Federal Crop Insurance Corporation. The amendments of the Senate add to the provisions of the House bill nine new sections:

On Senate amendment No. 1: Amends section 8 (c) (5) of the Soil Conservation and Domestic Allotment Act to provide that normal yield per acre for any county in the case of corn or wheat need be redetermined only when the actual average yield for the 10 calendar years immediately preceding the calendar year in which such yield is being reconsidered differs by at least 5 percent from the actual average yield for the 10 years upon which the existing normal yield per acre for the county was based. The House recedes.

On Senate amendment No. 2: Amends section 301 (b) (6) of the Agricultural Adjustment Act of 1938 to redefine the term "market" so as to have a general definition of this term applicable to all of the commodities to which such act applies and to include involuntary sales and gifts inter vivos within the meaning of such term; and, in the case of wheat as well as corn to include feeding to poultry or livestock. In the case of all the commodities to which such act applies, the disposing of any such commodity as premium to the Federal Crop Insurance Corporation is not deemed marketing. The House recedes.

On Senate amendment No. 3: Amends section 301 (b) (13) (A) of the Agricultural Adjustment Act of 1938 to make the definition of "normal yield" for any county, in the case of corn or wheat, in such act conform to the definition thereof in section 8 (c) (5) of the Soil Conservation and Domestic Allotment Act, as amended by Senate amendment No. 1. The House recedes.

On Senate amendment No. 4: Amends section 301 (b) (13) (B) of the Agricultural Adjustment Act of 1938 so as to limit the definition of "normal yield" for any county, as defined therein, to cotton. This is a technical amendment made necessary by the preceding amendment. The House recedes.

On Senate amendment No. 5: Amends section 372 (c) of the Agricultural Adjustment Act of 1938 to extend from 1 to 2 years the time within which claims may be filed with the Secretary for the refund of penalties for excess marketings wrongfully collected, and by limiting the refund thereof to claimants who bore the burden of the payment of such penalty. It also provides that receipts of penalties may be handled on a farm basis rather than on the basis of individual producers, in order to save expense and simplify procedure in the collection of refund or penalties. The House recedes.

On Senate amendment No. 6: Amends section 385 of the Agricultural Adjustment Act of 1938 by providing that in case any person who is entitled to receive any payment referred to in such section dies, becomes incompetent, or disappears before receiving such payment, or is succeeded by another who renders or completes the required performance, the payment shall, without regard to any other provisions of law, be made as the Secretary of Agriculture may determine to be fair and reasonable in all the circumstances and provide by regulations. The House recedes.

On Senate amendment No. 7: Amends section 391 of the Agricultural Adjustment Act of 1938 by authorizing the Commodity Credit Corporation to loan to the Secretary in each fiscal year such sums, not to exceed \$50,000,000, as he estimates will be required during such fiscal year to make crop-insurance-premium advances and to make grants of aid pursuant to the applicable provisions of sections 8 and 12 of the Soil Conservation and Domestic Allotment Act, as amended, in connection with programs applicable to crops harvested in the calendar year in which such fiscal year ends, and to pay administrative expenses of county

agricultural conservation associations for the calendar year in which such fiscal year ends. Provision is made for interest, and for repayment from the appropriation for the succeeding fiscal year or from any unobligated balance of the appropriation for any other year. The conference report recommends the striking out of the words "to make grants of aid" and inserting in lieu thereof "to make advances." The "grants of aid" to which the Senate amendment has reference is the furnishing of lime, fertilizer, seed, and other farming materials to farmers for use in accordance with the soil-conservation program. Inasmuch as these materials are furnished as advances on and are deducted from the soil-conservation payments, it was thought that "advances" more accurately describes what was contemplated in the Senate amendment.

On Senate amendment No. 8: Makes it possible, where the United States has demanded and collected the refund of any agricultural adjustment or conservation payment for any year prior to 1940 because the performance on account of which such payment was made was rendered in whole or in part by another person, to repay the amount so refunded to the person who rendered such performance. It also provides that where the person who did not render the whole performance has turned over to the person who did render the whole or part of the performance a share of the payment earned, refund thereof will not be required. The House recedes.

The Senate amendment to the title amends the title of the bill so as to read: "An act to amend the Soil Conservation and Domestic Allotment Act, as amended, the Agricultural Adjustment Act of 1938, as amended, and for other purposes." The House recedes.

MARVIN JONES,
H. P. FULMER,
WALL DONEY,
CLIFFORD R. HOPE,
J. ROLAND KINZER,

Managers on the part of the House.

Mr. JONES of Texas. Mr. Speaker, the Senate amendment involved here is intended primarily to simplify the administration of some of the A. A. A. program.

For instance, in making payments in cases where the beneficiaries have died, some of the payments are small, and under the present law they are required to institute administration proceedings and determine according to the laws of the State the distribution of the estate. Frequently the proceedings are more expensive than the amount of the payment. This simply permits the payment to be adjusted in a natural and normal way.

It also permits the payments to be made earlier by virtue of permitting the Commodity Credit Corporation to advance the payments before the funds are available.

It also provides that unless there is a change in allotment to any county of more than 5 percent, it is not necessary to rerate and reschedule the county allotments. This saves considerable time in making out the allotments each year and saves a good deal of irritation that the continuing changes cause.

We have eliminated from the amendments all the controversial items, and this is a unanimous report of the conference groups of both the House and the Senate.

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

Mr. JONES of Texas. I yield to the gentleman from Kansas.

Mr. HOPE. Is it not correct to say that none of the provisions that were added by the Senate add any more control to the agricultural program?

Mr. JONES of Texas. That is correct. They do not add any control, nor do they add any expense. They simply, in practically all the instances except the one I mentioned about the case of death, simplify the administration. As a matter of fact, as the gentleman knows, I have never been very strong on the penalty provisions anyway, and think they should be simplified to meet more nearly the soil-conservation program.

The SPEAKER. The question is on agreeing to the conference report.

The conference report was agreed to.

A motion to reconsider was laid on the table.

EMERGENCY PROVISION FOR VESSELS AFFECTED BY NEUTRALITY ACT OF 1939

Mr. BLAND. Mr. Speaker, I ask unanimous consent that the joint resolution (S. J. Res. 260) 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, be considered in the House as in Committee of the Whole.

The Clerk read the title of the joint resolution.

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

Mr. MARTIN of Massachusetts. Reserving the right to object, Mr. Speaker, will the gentleman explain the bill?

Mr. BLAND. The bill grows out of the conditions existing by reason of the Neutrality Act and the proclamations thereunder whereby ships cannot enter combat areas. It endeavors to preserve for use and make available those ships that are deemed to be essential so that they may be available at any minute. It gives the Maritime Commission the right to place them in routes. I may say that the joint resolution comes here with a unanimous report and has the endorsement of both sides of the committee.

Any vessel is an essential vessel which is security for any mortgage indebtedness to the United States or constructed under the Merchant Marine Act of 1936 or required by the terms of a contract under such act to be operated on a certain essential foreign trade route, and which it is necessary in the interests of commerce and national defense to maintain in condition for prompt use.

May I cite as examples particularly of vessels that would be affected the *America*, which has just been constructed and is ready for delivery, the *Washington* and the *Manhattan*, which have been operating first to the British Isles and then to the Mediterranean. These and other vessels are now taken out of those areas by reason of the neutrality proclamations of the President. It is desired that arrangements may be made whereby those vessels can be preserved, possibly by operation or possibly lay-up, and their condition looked after by the Maritime Commission so that they may be available at all times. There is no intent of using them in any way in violation or in contravention of the Neutrality Act.

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

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

Mr. SCHAFER of Wisconsin. Is there any intent and any provision in the bill whereby some administrative brain trust may be able to place these ships in the service of foreign belligerent countries, in the same manner the Navy Department has placed the mosquito boats of our Navy in the service of a belligerent nation in violation of the law of the land?

Mr. BLAND. There is no authority for any person to do any such thing, but it is entirely contemplated and provided that they shall be otherwise used.

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

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

Mrs. ROGERS of Massachusetts. This does not insure foreign ships?

Mr. BLAND. No; it does not. If the gentlewoman will pardon me, she has reference to another bill that I have here dealing with marine insurance. That is an entirely different bill. This is an emergency bill that deals with conditions where contracts have been entered into with certain companies for the operation of these ships in particular routes where they cannot be operated now. It gives the Maritime Commission an opportunity to lay them up in such a way that they may be available at any minute for use or, if by reason of change of conditions they can be otherwise used, to be then used in commerce.

Mrs. ROGERS of Massachusetts. I thank the gentleman.

Mr. VAN ZANDT. Mr. Speaker, will the gentleman yield?

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

Mr. VAN ZANDT. If this joint resolution is placed on the statute books, will it not permit the use of these vessels in intercoastal trade?

Mr. BLAND. It will permit the use of the vessels in any trade in which they may now be used. Of course, men engaged in the intercoastal trade and men engaged on the high

seas must necessarily expect if the commerce should be so great that it cannot be met by those vessels that are now being used there, that they, too, must accommodate themselves to the emergency that is contemplated by this act.

Mr. VAN ZANDT. Is it not true that these Government-subsidized vessels will compete with private shipping interests as well as the transcontinental railroads?

Mr. BLAND. There will be no subsidy paid when in this domestic service. They will only be used where the commerce is sufficient to justify it. No man knows now what the commerce will be if present conditions continue.

Mr. MARTIN J. KENNEDY. Mr. Speaker, will the gentleman yield?

Mr. BLAND. I yield.

Mr. MARTIN J. KENNEDY. Will the gentleman tell us whether or not the interests of the American Federation of Labor and the C. I. O. and the other labor unions have been considered in connection with this proposed legislation?

Mr. BLAND. They have known about it, and there has been no objection. Yesterday I had the American Federation of Labor and the C. I. O. in my office dealing with the marine-insurance bill as to some objections they had, and I expect to offer on that bill an amendment today to take care of their objections.

They are all agreed, and they have raised no objection to this measure, because this, to some extent, helps them, in that it preserves an opportunity for their men.

Mr. MARTIN J. KENNEDY. It will continue these boats in service?

Mr. BLAND. Yes.

Mr. MARTIN J. KENNEDY. Is it not a fact that our Government has a substantial interest in these ships now by virtue of subsidies or mortgages?

Mr. BLAND. In a substantial manner, but that is not the question here. The question here is that there is a condition attached that these vessels that will be needed or may be needed for national defense shall be preserved in such a way that they shall be available at any instant for national defense, and if you tie a vessel up and allow it to deteriorate, you may be unable to get it out and use it just when you want it. That is the essential and crucial point in this emergency legislation.

Mr. O'LEARY. Mr. Speaker, will the gentleman yield?

Mr. BLAND. I yield.

Mr. O'LEARY. As a matter of fact, this bill simply gives the Maritime Commission discretionary power to work out this situation during an emergency.

Mr. BLAND. In the interest of the contractors and in the interest of the people of the United States.

Mr. O'LEARY. And it does not in any way affect the Neutrality Act as it is now?

Mr. BLAND. Not in the slightest.

Mr. O'BRIEN. Mr. Speaker, will the gentleman yield?

Mr. BLAND. I yield.

Mr. O'BRIEN. Is it not a fact that the Maritime Commission will put these vessels in operation where they lack an excess of tonnage at this time?

Mr. BLAND. That is contemplated; yes.

Mr. MARTIN of Massachusetts. Mr. Speaker, will the gentleman yield?

Mr. BLAND. I yield.

Mr. MARTIN of Massachusetts. I understand there is an amendment to be offered and, as I understand, the gentleman will have an opportunity to offer that amendment.

Mr. BLAND. The bill is called up in this way in order to give the gentleman an opportunity to offer his amendment which, of course, will be opposed by me.

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

There was no objection.

The Clerk read the joint resolution, as follows:

Resolved, etc., That (a) when used in this joint resolution the term "essential vessel" means any vessel (1) which is (A) security for any mortgage indebtedness to the United States or (B) constructed under the Merchant Marine Act, 1936, or required by

the terms of a contract under such act to be operated on a certain essential foreign trade route, and (2) which it is necessary in the interests of commerce and national defense to maintain in condition for prompt use.

(b) For the purposes of preserving in the national interest the full availability and usefulness of essential vessels, which, under the provisions of the Neutrality Act of 1939 (or any proclamation issued thereunder), or compatibly with the national interest, cannot be operated in the service, route, or line to which such vessels are assigned pursuant to the Merchant Marine Act, 1936, or in which they would otherwise be operated, the United States Maritime Commission is authorized to make adjustments of obligations in respect of such vessels and to make arrangements for the maintenance of such vessels, subject to the provisions of this joint resolution and to such rules and regulations as the Commission shall prescribe as necessary or appropriate for carrying out the purposes and provisions of this joint resolution. If the Commission, upon written application in respect of any essential vessel, determines after such examination, investigation, and proceedings as it deems desirable that (1) the operation of such vessel in the service, route, or line to which such vessel is assigned pursuant to the Merchant Marine Act, 1936, or in which it would otherwise be operated, is either (A) not lawful under the Neutrality Act of 1939 (or any proclamation issued thereunder), or (B) not compatible with the maintenance of availability of such vessel for purposes of national defense and commerce, (2) it is not feasible under existing law to employ such vessel in any other service or operation in either the foreign or domestic trades (except temporary or emergency operation under subsection (c) (5) hereof, and (3) the applicant, by reason of the restrictions of the Neutrality Act of 1939, or the withdrawal of vessels for national-defense purposes under clause (1) hereof, is not earning or will not earn a fair and reasonable return on the capital necessarily employed in its business, the Commission may make adjustments and arrangements with the applicant as provided in subsection (c) hereof, which shall continue in effect only during the circumstances above described.

(c) Such adjustments and arrangements shall include suspension of the requirement to operate such vessel in foreign trade under the applicable operating-differential or construction-differential subsidy contract or mortgage or other agreement, and of the right to operating-differential subsidy in respect of such vessel, and may include any one or more of the following provisions, in whole or in part, as, and to the extent that, the Commission may deem to be necessary or appropriate to carry out the purposes of the Merchant Marine Act, 1936, or the purposes and provisions of this joint resolution:

(1) Lay-up of the vessel by the owner or, at the option of the Commission, in the custody of the Commission, with payment or reimbursement by the Commission of necessary and proper expenses thereof (including reasonable overhead and insurance), or in lieu of such payment or reimbursement, a fixed periodic allowance therefor;

(2) Postponement, for a period not in excess of the period or periods of lay-up, of the maturity date of each installment on account of the principal of obligations to the United States in respect of the vessel (whether or not such maturity date shall fall within such period or periods), or rearrangement of such maturities;

(3) Postponement or cancellation of interest accruing on such obligations during such period or periods of lay-up;

(4) Extension for a period not in excess of the period or periods of lay-up, of the 20-year life limitation in respect of the vessel, and of the period or periods of other limitations and provisions of the Merchant Marine Act, 1936, insofar as they are based upon a 20-year life;

(5) Provisions for such temporary or emergency employment of the vessel in lieu of lay-up as may be practicable, with such arrangements for management of the vessel, payment of expenses, and application of the proceeds of such employment, as the Commission may approve, the period or periods of such operation being included as part of the period or periods of lay-up;

(6) The payment to the Commission, upon termination of the arrangements with the applicant hereunder, out of the applicant's net profits, earned while such arrangements were in effect, in excess of 10 percent per annum on the capital necessarily employed in the applicant's business, in reimbursement, to the extent that the Commission shall deem it necessary to carry out the purposes of this joint resolution, on account of obligations postponed or canceled and expenses incurred or paid by the Commission under this subsection. For the purposes of this paragraph capital of the applicant represented by vessels of the applicant laid up or operated under this joint resolution shall not be excluded from capital necessarily employed in the applicant's business. The Commission may require that the vessels so laid up or operated be security for reimbursement hereunder.

(d) The adjustments and arrangements made under subsection (c) in respect of any vessel shall be subject to such readjustment or modification from time to time as may be deemed necessary by the Commission to carry out the purposes and provisions of this joint resolution.

(e) Moneys in the construction fund of the Commission shall be available for expenses of the Commission incurred in adjustments or arrangements made under this joint resolution.

Mr. VAN ZANDT. Mr. Speaker, I offer an amendment. The Clerk read as follows:

Amendment offered by Mr. VAN ZANDT: On page 5, line 22, after the word "resolution," add a new paragraph, as follows:

"(f) No vessel to which this resolution relates shall be operated at Government expense or with Government aid, in competition in interstate commerce with privately owned, unsubsidized water carriers engaged in such commerce."

Mr. VAN ZANDT. Mr. Speaker, the sale of Government ships after the World War for operation in domestic commerce at prices representing a small fraction of the cost of construction created substantial additional competition not only for privately owned steamship lines operating in these trades, but also for rail transportation. Most of the war-built vessels sold by the Government for domestic operation have operated in the trade between the Pacific and Atlantic coasts of the United States. As a result of the competition thus created, intercoastal rates were demoralized, and substantial losses were inflicted on intercoastal lines whose vessels had been built and paid for by private enterprise. It has also resulted in the lowering of the transcontinental and other related rail rates to meet this unregulated competition, so that rail transportation has likewise suffered severely from competition with transportation, most of whose cost was absorbed as a public expense by the Federal Government.

Seeking to prevent a repetition of the losses inflicted on private shipowners through the sale of Government tonnage, at low prices, and hoping to create conditions which would encourage the replacement of existing fleets, the United States Maritime Commission recommended the enactment of legislation in 1938:

First. To prohibit the sale or charter of new ships for domestic operation except at prices based upon the full domestic construction cost.

Second. To prohibit the use for commercial operation of vessels over 20 years of age in the Commission's laid-up fleet except during an emergency declared by the President.

These provisions were enacted into law as recommended by the Commission as amendments to the Merchant Marine Act, 1936, and are relied upon by those who have invested in domestic transportation facilities to protect their investment from unfair competition from publicly owned facilities.

House Joint Resolution 519 and Senate Joint Resolution 260 would suspend the prohibition against commercial operation of the vessels in the Government laid-up fleet during the period of the present European war. In other words, if this resolution is adopted the Commission would be authorized to sell or charter all of the vessels in its laid-up fleet for operation in the domestic trades without any determination that an emergency requiring their use in these trades existed. Ample authority is vested in the President and in the United States Maritime Commission under existing law to deal with any emergency that might arise. This resolution, however, permits the Commission to sell or charter for commercial operation, in competition with existing steamship lines and the railroads, ship tonnage equaling about two-thirds that now employed in the intercoastal trade, without any determination that existing transportation facilities are inadequate or that an emergency requiring the use of these facilities exists. The adoption of this resolution under these circumstances can only be construed by the Commission as an expression of the desire by Congress that these ships be thus sold or chartered.

Why is the adoption of this resolution sought at this time? The answer seems clear that large shipper interests hope in this way to continue to enjoy the use of water-transportation facilities at less than the reasonable cost of such transportation based upon the cost of construction of such facilities in American yards with American labor. The sponsors of this legislation attempt to create the impression that an emergency exists in domestic transportation. If this were the case the authority vested by existing law would be ample. However, the Commission in its report on this resolution makes it clear that no such emergency exists. In this con-

nection Chairman Land's letter of April 19, 1940, to Chairman BLAND of the House Committee on Merchant Marine and Fisheries states as follows:

While the net diversion to tonnage from the intercoastal trade is considerable on the basis of tonnage figures alone, it must be remembered that up to the beginning of the war the tonnage was definitely in excess of needs. From the available data it does not appear that any emergency exists in the intercoastal trade so far as available space is concerned at this time. Insofar as there exist increased demands for cargo space in the intercoastal trade, this increase in considerable part is based on an anticipation of increased rates, possibly of shortage of space, and the desire to protect against possibilities of the future rather than present conditions. There has been a considerable amount of advanced booking, some for the protection against increased rates on future sales and some of which is wholly speculative in character. The complaint as to lack of cargo space must also, to some extent, be attributed to lack of space at the rates existing, rather than to an absolute lack of space. To offset possible adverse effects of the reduction in tonnage, the cargo-carrying capacity of the vessels remaining in the trade and the earning capacity of these vessels may well be increased by rearrangement and speeding up of schedules and by carrying fuller cargoes at remunerative rates. Steps to this end have been taken by some of the operators.

[Here the gavel fell.]

Mr. VAN ZANDT. Mr. Speaker, I ask unanimous consent to proceed for 3 additional minutes.

Mr. O'LEARY. Mr. Speaker, I object; the gentleman would not yield to me.

Mr. VAN ZANDT. I did not have the time.

Mr. O'LEARY. I withdraw the objection, Mr. Speaker.

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

There was no objection.

Mr. VAN ZANDT. Mr. Speaker, it should also be borne in mind that while the sponsors of this resolution ostensibly request relief only during the war emergency, as a matter of practical effect the additional facilities will undoubtedly be used principally after the war has terminated. It is recognized that because of the large amount of repairs needed by most of the units in the laid-up fleet the chartering of these ships for use only during the period of the war—the duration of which is highly uncertain—is impractical, and that the result which will more probably ensue from the adoption of the resolution, will be the sale of these ships for domestic use where they will compete with existing transportation facilities for many years to come.

The real issue presented by this resolution is therefore whether additional transportation facilities should be put into operation by the Government, to compete with existing water and rail facilities, so that certain large shipper interests might continue to receive the benefit of such transportation at less than the full cost thereof, without establishing the inadequacy of existing rail and water facilities and without demonstrating the existence of an emergency as is properly required under existing laws so as to afford reasonable protection to privately owned and operated facilities from unjustified Government competition.

I now yield to the gentleman from New York.

Mr. O'LEARY. The gentleman will agree that all we are asking in this resolution is to give the Maritime Commission discretionary power to work out a solution of this problem.

Mr. VAN ZANDT. I agree with the gentleman; but, at the same time, I feel it is necessary to protect the private shipping interests of this country as well as the transcontinental railroads.

Mr. O'LEARY. Are any intercoastal lines or railroads affected by this legislation?

Mr. VAN ZANDT. They are.

Mr. O'LEARY. In what way?

Mr. VAN ZANDT. Some few years ago long express and freight trains moved from coast to coast loaded with merchandise. Today Government subsidized intercoastal ships offering greatly reduced rates have taken this business from the railroads, which results in the loss of hundreds of railroads' jobs.

Mr. O'LEARY. But there is nothing in this resolution that states that they are going into competition. The gentleman

wants to tie the hands of the Maritime Commission, does he not?

Mr. VAN ZANDT. In reply to my friend the gentleman from New York [Mr. O'LEARY], it is not my intention to tie the hands of the merchant marine. I am simply trying to protect the interest of thousands of railroad employees.

Mr. WELCH. Does the gentleman know of any railroad in the United States that has entered an objection to this resolution?

Mr. VAN ZANDT. The Association of American Railroads and the railway labor organizations always oppose legislation of this type.

Mr. WELCH. But no objection has been made to it, and I know the committee has not received any protest from the railroads.

Mr. VAN ZANDT. As a former railroad man, far be it for me to speak for all the railroads or railroad men of this country. However, I do insist it is legislation of this type which is destroying the jobs of railroad men.

Mr. O'BRIEN. Mr. Speaker, will the gentleman yield?

Mr. VAN ZANDT. I yield to the gentleman from New York [Mr. O'BRIEN].

Mr. O'BRIEN. I realize the gentleman is a railroad man, and so am I; and I have never received a protest from any railroad in regard to this. In fact, I have received a slight amount of encouragement, inasmuch as it will loosen up some of these things.

Mr. BLAND. Mr. Speaker, I rise in opposition to the amendment. I ask that the amendment be voted down. In the beginning of the gentleman's speech he showed that he is dealing with a situation that is not applicable here, because he dealt with sale and charter. Let us see what the Commission is to determine. First, that the operation of any such vessel in the service, route, or line in which such vessel is assigned pursuant to the Merchant Marine Act of 1936, or in which it would be otherwise operated is either (a) not lawful under the Neutrality Act of 1939 (or any proclamation issued thereunder), or (b) not compatible with the maintenance of availability of such vessel for purposes of national defense and commerce; (2) that it is not feasible under existing law to employ such vessel in any other service or operation under subsection (c) (5) hereof; and (3) that the applicant, by reason of the restrictions of the Neutrality Act of 1939, or the withdrawal of vessels for national defense purposes under clause (1) hereof, is not earning or will not earn a fair and reasonable return on capital necessarily employed in its business, and the Commission may make adjustments and arrangements with the applicant as provided in subsection (c) hereof, which shall continue in effect only during the circumstances above described.

There is not a provision for sale, there is not a provision for long-time charter, it is only to deal with the ships during the lay-up period when they cannot serve on the lines where they are contracted to serve.

What can they do? They can lay up the ships, which may be by the owner or, at the option of the Commission, in the custody of the Commission, with payment or reimbursement by the Commission of necessary and proper expenses thereof, or in lieu of such payment or reimbursement, a fixed periodic allowance therefor. They may postpone the maturity date for each installment on account of principal, the postponement not to be in excess of the period or periods of lay-up, but they may not cancel any of the obligations, they may extend, postpone, or cancel the interest during the lay-up period, they may extend the 20-year limitation beyond the lay-up period, and now, what about the use of the ship? They expressly provided in the statute temporary or emergency employment in lieu of lay-up with such arrangement for management of vessel, payment of expenses, and application of the proceeds of such employment as the Commission may approve, the period of operation being part of the period of lay-up. Then if the company with which the contract is made makes on other operations more than a reasonable return, that company may be required to pay the expenses to the Maritime

Commission. The bill provides that upon termination of arrangements payment out of applicant's net profits, earned while such arrangements were in effect, in excess of 10 percent per annum on the capital necessarily employed in the applicant's business, in reimbursement, to the extent that the Commission shall deem it necessary to carry out the purposes of this joint resolution, on account of obligations postponed or canceled and expenses incurred or paid by the Commission under subsection (c).

Mr. Speaker, the condition before the country is such that we do not know what is going to happen, and ships may be taken off in other services. These ships ought to be used and these ships are being retained so that if we need them in an emergency we can use them. That is all it is, and I ask that the amendment be voted down.

Mr. WELCH. Mr. Speaker, I rise in opposition to the amendment.

Mr. Speaker, this bill was very carefully considered and unanimously reported by the Committee on Merchant Marine and Fisheries. It is safe to say there is a railroad in every congressional district in the United States; but regardless of that fact I feel sure that not a Member of this body has received a protest from any railroad in the United States against the pending resolution.

Mr. VAN ZANDT. Mr. Speaker, will the gentleman yield?

Mr. WELCH. In a moment I will yield.

It is the right of any Member to object to legislation which, in his opinion, is detrimental to certain private interests located in his district; but, Mr. Speaker, this is emergency legislation, and it applies to the security of our country and, therefore, should transcend private interests. The Navy is the first line of our national defense. The merchant marine is the right arm of the Navy, and the Commission in charge of our merchant marine should not be handicapped by restrictive legislation. The purpose of this bill is to remove certain minor restrictions giving the Maritime Commission a free hand in this time of national emergency to move our merchant marine, a great portion of which is now lying at anchor. Everyone knows that nothing deteriorates faster than a ship lying at anchor. This will permit the Maritime Commission to assign these ships to essential trade routes, where they will be kept in shape, so that if an emergency arises they will be ready for immediate use instead of having to be reconditioned when laid up for long periods. I sincerely hope the House will not give serious consideration to the pending amendment.

[Here the gavel fell.]

Mr. CULKIN. Mr. Speaker, I rise in opposition to the amendment.

Mr. Speaker, the distinguished gentleman from Pennsylvania [Mr. VAN ZANDT] is seeing ghosts, not only one ghost but a multitude of ghosts. The gentleman said in response to a question that he was a railroad man. I have such a high regard for his intelligence and tried-and-true patriotism that I know he would not let that fact intervene between himself and his constitutional oath.

I repeat, Mr. Speaker, that this amendment comes almost within the category of being facetious. There is no actual competition between railroads and steamships. The inter-oceanic carriers are in the bulk line, and that is their exclusive line. Steamships carry these bulk commodities sometimes for one-twentieth what the railroads carry them for. The two types of transportation are not competitive. That is the answer to that question.

Mr. VAN ZANDT. Will the gentleman yield?

Mr. CULKIN. May I say, Mr. Speaker, that that fact is said to be recognized in detail in the Wheeler-Lea bill, beloved by the gentleman from Pennsylvania [Mr. VAN ZANDT] but which I trust is now sleeping its last sleep in conference. Bulk commodities in any effective civilization are always carried by water when that is possible. The savings that come from that go direct to the consumer and to the American producer. There can be no question about that.

Mr. VAN ZANDT. Mr. Speaker, will the gentleman yield?

Mr. CULKIN. I yield to the very patriotic and distinguished gentleman from Pennsylvania.

Mr. VAN ZANDT. My distinguished friend of course is recognized not as a friend of the railroads. He is recognized as a friend of the inland waterway people.

Mr. CULKIN. I am a friend of both groups. I represent the people of the United States here and you represent the railroads. [Laughter.] That is the difference between you and me.

Mr. VAN ZANDT. May I say to the gentleman that a moment ago he mentioned the difference in rates. It is true the difference in rates does exist, but who pays the difference? The taxpayers of the country.

Mr. CULKIN. Now, that is a pure fiction. The two types of transportation are as distinct as the sun and the moon. Bulk commodities are carried by water at one-twentieth of the rail cost and these savings are passed back to the people. Each type of transportation is entitled to its place in the sun. I am eternally for that. I repeat that the usually able gentleman from Pennsylvania [Mr. VAN ZANDT] is in this case seeing a multitude of ghosts. [Laughter and applause.]

[Here the gavel fell.]

Mr. CASE of South Dakota rose.

The SPEAKER. Debate on this amendment has been closed. The question is on agreeing to the amendment offered by the gentleman from Pennsylvania [Mr. VAN ZANDT].

The amendment was rejected.

The SPEAKER. The Chair recognizes the gentleman from Virginia [Mr. BLAND].

Mr. BLAND. Mr. Speaker, I move the previous question on the passage of the bill.

Mr. CASE of South Dakota. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. CASE of South Dakota. Are we not proceeding in the House as in Committee of the Whole?

The SPEAKER. We are.

Mr. CASE of South Dakota. Am I not entitled to recognition for a pro forma amendment? I was on my feet, as I think the Chair knows.

The SPEAKER. We are operating under the 5-minute rule, and there had been several speeches for and against the amendment. The Chair will recognize the gentleman to strike out the last word.

Mr. CASE of South Dakota. That is the motion I wanted to offer, Mr. Speaker.

TRANSFER OF SHIPS TO BELLIGERENTS WOULD VIOLATE LONG-STANDING LAWS AND TREATIES

Mr. Speaker, in view of the fact that this bill provides for the assignment or transfer of vessels, and in view of the fact that it has been demonstrated there has been a great deal of ignorance of the law in regard to the transfer of vessels, it seems to me appropriate at this time that there should be read into this debate the section of a long-standing law with regard to the transfer of vessels.

I understand that this afternoon the distinguished chairman of the Senate Committee on Naval Affairs has announced that the proposed sale of the mosquito ships has been stopped because of the law to which I called attention in a 1-minute remark on the floor the other day.

As I think is well known, the discovery that 23 fighting boats that could not be replaced for many months or years were about to be transferred to a belligerent in a war where the United States is officially not engaged alarmed the Senate committee, as it did, indeed, people all over the country who had been told that we needed more boats and needed them badly and that it took years to build vessels of war.

If anyone has any doubt as to the alarm of the members of the Naval Affairs Committees, I trust he will read the remarks that have been made in another body this afternoon by the chairman of the Senate committee.

I understand Senator WALSH said that he was advised that those who were arranging the transfer were unaware of the law. He observed, however, that ignorance of the law does

not excuse anybody, least of all those whose oath of office binds them to uphold the law.

I am not a lawyer and I make no claim to be particularly versed in the law. It simply happens that I read the statutes on neutrality during the debates on the question in the special session last fall, and went over this particular statute and its history in my remarks in the House, October 26, 1939. My remarks were not circulated particularly and I am not offended that they went unnoticed in certain quarters; yet, since the subject is so important at this time, for the purpose of the record in consideration of this bill, and for the related subject of the mosquito boats, I wish to read pertinent sections from chapter 2 on offenses against neutrality as given in title 18 of the Code of the United States—Criminal Code and Criminal Procedure:

Sec. 33. Sending out armed vessels with intent to deliver to belligerent nation: During a war in which the United States is a neutral Nation, it shall be unlawful to send out of the jurisdiction of the United States any vessel built, armed, or equipped as a vessel of war, or converted from a private vessel into a vessel of war, with any intent or under any agreement or contract, written or oral, that such vessel shall be delivered to a belligerent nation, or to an agent, officer, or citizen of such nation, or with reasonable cause to believe that the said vessel shall or will be employed in the service of any such belligerent nation after its departure from the jurisdiction of the United States.

That law was approved on June 15, 1917. It was a reenactment of a section in the law of 1915, which was a reenactment of the 1909 law, which was based upon the Articles of Convention at The Hague in 1907.

In this connection I also call attention to the penalty section, which is section 36, chapter 2, title 18 of the Criminal Code and Criminal Procedure, which reads as follows:

Unlawful taking of vessel out of port. Whoever, in violation of any of the provisions of sections 25, 27, and 31 to 33 of this title, shall take, or attempt or conspire to take, or authorize the taking of any such vessel, out of port or from the jurisdiction of the United States, shall be fined not more than \$10,000 or imprisoned not more than 5 years, or both; and in addition, such vessel, her tackle, apparel, furniture, equipment, and her cargo shall be forfeited to the United States.

It is important to note in that connection that this section contemplates that it would be a private vessel; apparently no one ever thought the time would come when the Government itself would transfer a vessel of war to a belligerent directly or indirectly. The language of the two sections I have read and of the other sections in this chapter of the Code is broad, however, and covers every conceivable case. Not only those who take or transfer but those who conspire to take or send a vessel out of the jurisdiction of the United States for purposes of war are subject to the provisions of the penalty section and the vessel itself is forfeited to the United States. The penalty is a fine of not to exceed \$10,000 or imprisonment for not more than 5 years.

The statutory definition of a vessel in the code is:

Any contrivance capable of transportation on water.

Now this was no accidental legislation. It was passed as title V of the Espionage Act of 1917, adopted more than a month after we entered the World War, and was substantially identical with the acts of 1915 and 1909, and I call attention to the fact that the statute goes back even further than The Hague Conventions of 1907. Article VIII of the Conventions on Naval War adopted by The Hague International Conference said:

A neutral government is bound to use the means at its disposal to prevent, within its jurisdiction, the equipping or arming of any vessel which it has any reasonable suspicion of being destined to act as a cruiser or to join in hostile operations against a power with which it is at peace.

And further:

It is also bound to exercise the same surveillance to prevent the departure out of its jurisdiction of any vessel intending to act as a cruiser or take part in hostile operations, and which, within the said jurisdiction, may have been adapted wholly or in part to warlike purposes.

That principle goes back to the Treaty of Washington made in 1871 between the United States and Great Britain which, among other things, bound both parties to prevent—

The departure from their jurisdiction of any vessel having been especially adapted in whole or in part within such jurisdiction to warlike uses.

That in turn goes back to the Foreign Enlistment Act of August 9, 1870, a revision of the British Foreign Enlistment Act of 1819, which was minute in its provisions to prevent the enlisting or recruiting of men or the building or the equipping of vessels for the military service "of a foreign state at war with a friendly state."

Hence, Mr. Speaker, here we have a statute which runs back in our own history to a treaty adopted 70 years ago, and in principles of international law recognized for 120 years, between the two countries, presumably, who would now be conspiring to violate it. The principles of the statute, indeed, its very words have been enacted and reenacted and are the law of the land today.

[Here the gavel fell.]

Mr. BLAND. Mr. Speaker, I rise in opposition to the amendment.

Mr. Speaker, the bill by its express provisions provides that after lay-up the time may be extended. It does not provide for any sales, but expressly contemplates the continuance under regular and usual circumstances of the original contract.

Mr. SCHAFER of Wisconsin. Mr. Speaker, I rise in opposition to the pro forma amendment.

The SPEAKER. The gentleman from Wisconsin is recognized for 5 minutes.

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

Mr. SCHAFER of Wisconsin. I yield briefly.

Mr. CASE of South Dakota. I merely wish to say that I read the excerpts I did for the purpose of getting them in the Record, but I am not opposed to the adoption of this resolution.

Mr. SCHAFER of Wisconsin. Mr. Speaker, I am opposed to the Van Zandt amendment and shall support the bill as reported and championed on the floor of the House by the very distinguished gentleman from Virginia [Mr. BLAND]. I am, however, very pleased that the law with reference to the illegal sale and transfer of our American Navy vessels to foreign belligerents has been read into the CONGRESSIONAL RECORD by the gentleman from South Dakota [Mr. CASE]. I sincerely hope that a grand jury in the District of Columbia will take cognizance of the violations of these laws by those who would sabotage the defense of our country.

Our former Acting Secretary of the Navy, Mr. Henry Morgenthau, who is also Secretary of the Treasury, who approved of the sale and transfer and was responsible for the sale and transfer of the Navy's new mosquito boats to the British apparently did not know about or willfully ignored the laws mentioned by the gentleman from South Dakota [Mr. CASE].

The Washington Post of June 19, 1940, quotes another New Deal Acting Secretary of the Navy, Mr. Louis Compton, as stating that the New Deal Secretary of the Treasury, Mr. Henry Morgenthau, was the man behind the transfer, the illegal sale and transfer, of the Navy's new mosquito boats to the British Government. Now, in view of this willful violation of the law and sabotage of our country's national defense, I ask our New Deal President to practice what he preached about driving the money changers from the temple of the Government. We should call for the immediate resignation of Secretary of the Treasury Morgenthau, who also appears to have been Acting Secretary of the Navy as well.

Mr. Speaker, the President of the United States should call for the immediate resignation of all Government officials who took part in the "fifth column" activity to place ships of our Navy in the hands of a foreign belligerent nation in violation of the laws of our land. Our New Deal President should demand that his Attorney General, Mr. Jackson, immediately place the case of these "fifth column" members before a grand jury. Let us have more action and less talk, Mr. President. As the late President Theodore Roosevelt said: "Speak softly but carry a big stick."

Mr. Speaker, the June 19, 1940, issue of the Washington Post states:

NAVY'S NEW MOSQUITO BOATS TO BE TRANSFERRED TO BRITISH

The Government is in process of releasing to the British 20 high-speed vessels now under construction on order for the United States Navy. It was learned yesterday.

This information was elicited from Louis Compton, Acting Secretary of the Navy, by members of the Senate Naval Affairs Committee in a stormy executive session of the committee last Friday.

Compton, when asked by what right this was done, under what law, and by whose instruction, took most of the responsibility himself, although saying that the transfer had been favored by Henry Morgenthau, Jr., Secretary of the Treasury. He denied that President Roosevelt had been consulted.

This paper also states:

Apparently taking into consideration that point, Compton estimated that the release of the unfinished boats for delivery to the British would not delay the delivery of the 24 originally ordered by the United States Navy by more than 6 months.

Mr. Speaker, in view of the fact that our Navy is now inadequate and the taxpayers are being called upon for billions of dollars to increase it, the illegal sale of 20 of our warships to the British is indefensible. This is particularly so in view of world conditions and the fact that these ships cannot be replaced within 6 months.

Mr. Speaker, I note pseudo-Republicans have now been appointed to the positions of Secretary of War and Secretary of the Navy by our New Deal President. They will no doubt take orders from Mr. Morgenthau. The American people are indebted to Mr. Woodring for refusing to follow the directions of international bankers and foreign war interventionists and strip our own national defense and send its equipment abroad to foreign belligerent nations.

Mr. Speaker, our New Deal President said that "we cannot have our cake and eat it, too." This we were told by the President when he appeared before Congress to deliver a national-defense message. The President said: "You cannot have your cake and eat it, too." Our New Deal President and his New Deal Secretary of the Treasury, Mr. Morgenthau, who up to a few days ago was the Acting Secretary of the Navy, apparently believe that we can have an adequate national defense, and also sell and send its implements 3,000 miles across the sea to foreign belligerent nations.

Mr. Speaker, the American people now know what is going on. With reference to national defense and peace the President's position reminds us of Isaac of old, who said: "The voice is Jacob's voice, but the hands are the hands of Esau." The American people now realize that the New Deal is moving rapidly toward war, particularly since the President announced his universal compulsory military training program under which American boys and girls are to be regimented and put into New Deal concentration camps to goose step under the direction of Sidney Hillman, the notorious un-American, anti-Christian Communist, a main cog of the New Deal political machine. [Applause.]

[Here the gavel fell.]

Mr. BLAND. Mr. Speaker, I move the previous question.

The previous question was ordered.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

The SPEAKER. Without objection, House Resolution 523, providing for the consideration of the bill just passed will be laid on the table.

There was no objection.

MARINE WAR-RISK INSURANCE

Mr. BLAND. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill, H. R. 6572, to amend the Merchant Marine Act, 1936, as amended, to provide for marine war-risk insurance and reinsurance and for marine risk reinsurance, and for other purposes, and I ask that the bill be considered in the House as in the Committee of the Whole.

The Clerk read the title of the bill.

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

Mr. MARTIN of Massachusetts. Mr. Speaker, reserving the right to object, and I am sorry I must object. I understand the gentleman has a rule for the consideration of this bill. There are quite a number of Members who want to speak on this bill, therefore I am obliged to object to the unanimous-consent request.

Mr. BLAND. Mr. Speaker, I think if the gentleman will give us time, if there are any objections which have been previously urged, they have been removed from the bill. I may say that we have taken out all provisions that would insure foreign ships. We have also met the wishes of the two great labor organizations, the American Federation of Labor and the National Maritime Union. I sat down with them yesterday around the table after we held a committee meeting and we agreed upon amendments that would meet their wishes.

Mrs. ROGERS of Massachusetts. Will the gentleman yield?

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

Mrs. ROGERS of Massachusetts. You have taken out the amendment I objected to which would insure foreign vessels?

Mr. BLAND. That is an amendment to the bill. We do not insure foreign vessels under this bill.

Mrs. ROGERS of Massachusetts. I objected very strongly to that.

Mr. BLAND. We do not insure anything but American vessels and cargoes in American vessels, with provision for reinsurance.

Mrs. ROGERS of Massachusetts. The gentleman did not like that provision himself.

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

Mr. MARTIN of Massachusetts. Mr. Speaker, I must object.

AMENDMENT TO MERCHANT MARINE ACT, 1936

Mr. CLARK. Mr. Speaker, I call up House Resolution 522 and ask for its immediate consideration.

Mr. MARTIN of Massachusetts. Mr. Speaker, I make the point of order there is not a quorum present.

The SPEAKER. Will the gentleman from Massachusetts [Mr. MARTIN] withhold that for a minute?

Mr. MARTIN of Massachusetts. Surely.

Mr. CLARK. Mr. Speaker, I withdraw the calling up of House Resolution 522 at this time.

The SPEAKER. Does the gentleman from Massachusetts [Mr. MARTIN] withdraw his point of no quorum?

Mr. MARTIN of Massachusetts. Mr. Speaker, I withdraw the point of order that there is not a quorum present.

ADMINISTRATION OF THE WASHINGTON NATIONAL AIRPORT

Mr. LEA. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill, S. 3927, to provide for the administration of the Washington National Airport, and for other purposes.

The Clerk read the title of the bill.

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

Mr. MARTIN of Massachusetts. Mr. Speaker, reserving the right to object, will the gentleman explain the bill?

Mr. LEA. Mr. Speaker, this is a bill that was on the calendar the other day and objected to. I am advised that those Members who objected have withdrawn their objections.

The principal object of the bill is to authorize the Administrator in the Civil Aeronautics Authority to make leases for the Washington Airport. The airport is expected to be opened in November and it is necessary to have this authority for leasing before it is opened.

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

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That for the purposes of this act—

(a) "Administrator" means the Administrator of the Civil Aeronautics Authority.

(b) "Airport" means the Washington National Airport, which shall consist of, and include, the tract of land, together with all structures, improvements, and other facilities located thereon,

lying partly in the District of Columbia and partly in the State of Virginia, particularly described as follows:

Commencing at a point of beginning, said point being the intersection of the property line of property owned by the Richmond, Fredericksburg and Potomac Railroad Company, and dredging base line at station 0+18.99 referenced south 6,808.21, west 9,078.82, running in a southeasterly direction on a bearing of south 22°51'18" east a distance of 6,270.91 feet, more or less, to station 62+89.90 of said dredging base line. Thence 13°30' right on a bearing of south 9°21'18" east a distance of 1,332.29 feet, more or less, to station 76+22.19 of said base line. Thence 11°04'19" right on a bearing of south 1°43'01" west a distance of 1,231.20 feet, more or less, to station 88+53.39 of said base line. Thence 12°40'41" right on a bearing of south 14°23'42" west a distance of 2,409.32 feet, more or less, to station 112+62.71 on said base line. Thence 1°15'44.3" right on a bearing of south 15°39'26.3" west a distance of 4,938.38 feet, more or less, to United States Coast and Geodetic Survey Station Water, referenced south 22,220.86, west 8,395.54. Thence 17°09'25.6" left on a bearing of south 1°29'59.3" east a distance of 85.58 feet, more or less, to a corner of the property line between the United States of America and Smoot Sand and Gravel Corporation. Thence 85°59'59.3" right on a bearing of south 84°30'00" west a distance of 1,516.41 feet, more or less, to a monument located at a corner on the property line of the Richmond, Fredericksburg and Potomac Railroad Co., said monument being referenced south 22,451.75, west 9,902.73. Thence 85°50'06.7" right on a bearing of north 8°09'54" west a distance of 442.68 feet, more or less. Thence 5°00'12" left on a bearing of north 13°10'06" west a distance of 578.64 feet, more or less. Thence 4°57'25" left on a bearing of north 18°07'31" west a distance of 462.94 feet, more or less. Thence 1°34'50" left on a bearing of north 19°42'21" west a distance of 943.56 feet, more or less, to the point of a curve having an angle of 27°52'45" right radius 1,241.15 feet, long chord 597.98 feet, on a bearing of north 5°45'58" west. Thence along the arc of said curve a distance of 603.92 feet, more or less, to the point of tangency of said curve. Thence along a tangent to said curve on a bearing of north 8°10'24" east a distance of 232.33 feet, more or less, to the point of a curve having an angle of 36°59'09" left, radius 1,046 feet, long chord 663.56 feet on a bearing of north 10°19'10.5" west. Thence along the arc of said curve a distance of 675.22 feet, more or less, to the point of tangency of said curve. Thence along a tangent to said curve on a bearing of north 28°48'45" west a distance of 256.75 feet, more or less. Thence 30°33'10" left on a bearing of north 59°21'55" west a distance of 287.84 feet, more or less. Thence 40°45'20" right on a bearing of north 18°36'35" west a distance of 1,142.08 feet, more or less. Thence 5°43'29" right on a bearing of north 12°53'06" west a distance of 118.02 feet, more or less, to the point of a curve having an angle of 26°20'50" right, radius 3,665.71 feet, long chord 1,670.85 feet on a bearing of north 0°17'19" east. Thence along the arc of said curve a distance of 1,685.66 feet, more or less, to the point of tangency of said curve. Thence along a tangent to said curve on a bearing of north 13°27'44" east a distance of 2,002.11 feet, more or less, to the point of a curve having an angle of 10°36'25" left, radius 2,864.79 feet, long chord 529.59 feet on a bearing of north 8°09'31.5" east. Thence along the arc of said curve a distance of 530.25 feet, more or less, to the point of tangency of said curve. Thence along a tangent to said curve on a bearing of north 2°51'19" east a distance of 124.53 feet, more or less. Thence 6°57'52" left on a bearing of north 4°06'33" west a distance of 571.33 feet, more or less. Thence 7°22'39" left on a bearing of north 11°29'12" west a distance of 811.63 feet, more or less. Thence 8°16'52" right on a bearing of north 3°12'20" east a distance of 70.41 feet, more or less, to the point of a curve having an angle of 7°43'12" right, radius 5,479.58 feet, long chord 737.75 feet on a bearing of north 7°03'56" east. Thence along the arc of said curve a distance of 738.31 feet more or less, to the point of tangency of said curve, said point being on the old property line between Mary E. Cullinane and Milton Hopfenmaier property. Thence along said property line on a bearing of north 75°11'50" east a distance of 204.72 feet, more or less, to a monument marked U. S. D. 1-N. P. S., reference south 18,419.16, west 10,829.26. Thence along the same bearing of north 75°11'50" east a distance of 215 feet, more or less. Thence 34°36'06" left on a bearing of north 40°35'44" east a distance of 1,509 feet, more or less, to the point of a curve having an angle of 5°45' left, radius 7,239.41 feet, long chord 723.20 feet, on a bearing of north 37°53'14" east. Thence along the arc of said curve a distance of 726.51 feet, more or less, to the point of a compound curve having an angle of 6°00' left, radius 2,217.01 feet, long chord of 232.06 feet on a bearing of north 32°10'44" east. Thence along the arc of said curve a distance of 232.15 feet, more or less, to the point of a compound curve having an angle of 57°01'20" left, radius 1,303.74, long chord 1,244.62, on a bearing of north 0°40'04" east. Thence along the arc of said curve a distance of 1,297.22 feet, more or less, to the point of a compound curve having an angle of 7°59'54.3" left, radius 2,217.01 feet, long chord 309.23 feet on a bearing of north 31°49'33" west. Thence along the arc of said curve a distance of 310 feet, more or less, to the intersection of said curve with the property line of the Richmond, Fredericksburg and Potomac Railroad Co. and the United States of America. Thence in a northeasterly direction along a bearing of north 34°30'00" east a distance of 340 feet, more or less, to the point of beginning;

excepting, however, such portion thereof as the President may, by Executive order or orders, prescribe, which portion shall be added to, and administered as part of, the Mount Vernon Memorial High-

way, authorized by the act approved May 23, 1928 (45 Stat. 721), as amended.

SEC. 2. The Administrator shall have control over, and responsibility for, the care, operation, maintenance, and protection of the airport, together with the power to make and amend such rules and regulations as he may deem necessary to the proper exercise thereof.

SEC. 3. The Administrator is empowered to lease, upon such terms as he may deem proper, space or property within or upon the airport for purposes essential or appropriate to the operation of the airport.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

CIVIL AERONAUTICS AUTHORITY

Mr. LEA. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H. R. 9899) extending the jurisdiction of the Civil Aeronautics Authority over certain air-mail services, and for other purposes.

The Clerk read the title of the bill.

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

Mr. MARTIN of Massachusetts. Reserving the right to object, Mr. Speaker, will the gentleman explain the bill?

Mr. LEA. The practical purpose of this bill is to clarify the existing law. The Civil Aeronautics Act gives the Civil Aeronautics Authority authority to grant certificates of convenience and necessity for air transportation. A question arose as to whether or not the pick-up service by airplane is air transportation within the meaning of the Civil Aeronautics Act. The attorney's of the different departments disagreed about the question, so this is to clarify the situation so as to give unquestioned authority to the Civil Aeronautics Authority to grant certificates of convenience and necessity for the pick-up service.

Mr. MARTIN of Massachusetts. Does this have a unanimous report from the committee?

Mr. LEA. It has a unanimous report by the committee.

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

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That subsection (1) of section 405 of the Civil Aeronautics Act of 1933 is amended to read as follows:

"(1) Nothing contained in this act shall be construed to repeal in whole or in part the provisions of section 6 of the act entitled 'An act to provide for experimental air-mail service, to further develop safety, efficiency, economy, and for other purposes', approved April 15, 1933. The transportation of mail under contracts entered into under such section shall not, except for sections 401 (1) and 416 (b), be deemed to be 'air transportation' as used in this act, and the rates of compensation for such transportation of mail shall not be fixed under such act."

SEC. 2. Sections 1 and 2 of the act entitled "An act to provide for experimental air-mail service, to further develop safety, efficiency, economy, and for other purposes", approved April 15, 1933, are hereby repealed.

With the following committee amendment:

Page 2, line 4, strike out "such" and insert "this."

The committee amendment was 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.

ALIENS ADMITTED TO UNITED STATES AS OFFICIALS OF FOREIGN GOVERNMENTS

Mr. LESINSKI. Mr. Speaker, I ask unanimous consent for the present consideration of the bill (H. R. 10112) to amend the Immigration Act of 1924 to require aliens admitted into the United States as officials of foreign governments either to maintain their status or to depart from the United States, with the approval of the Secretary of State.

The Clerk read the title of the bill.

Mr. TABER. Mr. Speaker, may the bill be reported?

The SPEAKER. The Clerk will report the bill.

The Clerk read the bill, as follows:

Be it enacted, etc., That the first subdivision of section 3 of the Immigration Act approved May 26, 1924 (43 Stat. 153; U. S. C. Annotated, title 8, sec. 203), is hereby amended to read as follows: "(1) an accredited official of a foreign government recognized by the Gov-

ernment of the United States, his family, attendants, servants, and employees."

SEC. 2. That the first parenthetical clause in section 15 of the Immigration Act approved May 26, 1924 (U. S. C. Annotated, title 8, sec. 215), which reads "(except a Government official and his family)", is hereby repealed, and section 15 is hereby amended to read as follows: "The admission to the United States of an alien excepted from the class of immigrants by clause (1), (2), (3), (4), (5), or (6) of section 3, or declared to be a nonquota immigrant by subdivision (e) of section 4, shall be for such time and under such conditions as may be by regulations prescribed (including, when deemed necessary for the classes mentioned in clause (2), (3), (4), or (6) of section 3 and subdivision (e) of section 4, the giving of bond with sufficient surety, in such sum and containing such conditions as may be by regulations prescribed) to insure that, at the expiration of such time or upon failure to maintain the status under which admitted, he will depart from the United States: *Provided*, That no alien who has been, or who may hereafter be, admitted into the United States under clause (1) of section 3, as an official of a foreign government, or as a member of the family of such official, shall be required to depart from the United States without the approval of the Secretary of State."

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

Mr. MARCANTONIO. Reserving the right to object, Mr. Speaker, may we have this bill explained? It is a long bill and it mentions various sections of the law. I should like to know what it accomplishes.

Mr. LESINSKI. The purpose of the bill is to require aliens who are admitted to the United States as officials of foreign governments to maintain their status or depart from the United States. That is all there is to the bill.

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

There was no objection.

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.

BELA KARLOVITZ

Mr. LESINSKI. Mr. Speaker, I ask unanimous consent for the present consideration of the bill (H. R. 9840) for the relief of Bela Karlovitz.

The Clerk read the title of the bill.

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

Mr. MARTIN of Massachusetts. Reserving the right to object, Mr. Speaker, will the gentleman explain the bill?

Mr. LESINSKI. This gentleman is an inventor who was brought into this country by the Westinghouse Co. from Hungary. There is no fraud involved in the case. He is here on a regular visa, but his time is expiring. This gentleman is working on an invention to conserve fuel. The report reads as follows:

This alien is a native and citizen of Hungary and he has a wife and three children residing in that country. He is an electrical engineer and is working on the development of an invention for the generation of power. A large electrical manufacturing company, having received information with reference to his work, sent a representative to Budapest, Hungary, and purchased from this alien the rights to the patent when it is perfected. They persuaded this alien to come to the United States and to their plant for the purpose of completing his invention. This company has already expended in the neighborhood of \$50,000 in experiments and there was testimony to the effect that they are quite certain that this invention will prove successful.

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

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That for the purposes of the immigration and naturalization laws Bela Karlovitz, of Wilkinsburg, Pa., a research engineer temporarily in the United States as a visitor, shall be considered to have been lawfully admitted, at New York, N. Y., on September 1, 1933, to the United States for permanent residence.

With the following committee amendment:

Page 1, at the end of the bill add a new paragraph, as follows: "Upon the enactment of this act the Secretary of State shall instruct the proper quota-control officer to deduct one number from the Hungarian quota for the first year that the said Hungarian quota is available."

The committee amendment was 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.

AMERICAN RED CROSS VESSELS

Mr. BLOOM. Mr. Speaker, I ask unanimous consent for the immediate consideration of the joint resolution (S. J. Res. 279) to amend section 4 of Public Resolution No. 54, approved November 4, 1939, entitled "Joint resolution to preserve the neutrality and the peace of the United States and to secure the safety of its citizens and their interests."

The Clerk read the title of the joint resolution.

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

Mr. MARTIN of Massachusetts. Mr. Speaker, reserving the right to object, will the gentleman explain the joint resolution?

Mr. BLOOM. Mr. Speaker, this joint resolution is an amendment of the Neutrality Act which permits Red Cross vessels to go into certain areas. I can explain the resolution better by reading what Secretary Hull says about it in this letter:

The Red Cross has dispatched to Europe the ship *McKeesport*, which it chartered for the purpose of carrying Red Cross supplies to France. The supplies were to be landed in Bordeaux. Under the neutrality law it was necessary to obtain safe conduct from the belligerent governments. This safe conduct was not forthcoming from all the necessary governments, and consequently the vessel was dispatched to Bilbao, Spain, with the expectation that its cargo might be landed there and transported into France. There seem to be practical difficulties as far as that procedure is concerned, and the question now arises as to whether the vessel ought not be diverted from its course to one of the belligerent ports where the need is paramount.

This raises the question of the general applicability of the neutrality law to Red Cross shipments and has put the matter in the forefront of the Department's thought. After consultation with Mr. Norman Davis, of the Red Cross, we have come to the conclusion that it would be infinitely better if the Neutrality Act were amended to permit Red Cross ships on voyages of mercy to proceed simply after notification to belligerents that the specific vessel will go to a named port, it now being demonstrated that it is impracticable to operate under the present provisions of the law. Consequently we have thought that you might be willing to introduce a bill amending the Neutrality Act to that extent. A draft is enclosed for your consideration. If you feel that you can support this measure, I should be very glad if you would introduce it and expedite its passage to whatever extent possible, because it seems desirable in view of the unsettled situation in Europe to divert the *McKeesport*, which is now at sea, from its present run, to Bordeaux or some other belligerent port as conditions render advisable or expedient and where there is very great need for the cargo.

Mr. MARTIN of Massachusetts. This joint resolution is applicable only to Red Cross vessels?

Mr. BLOOM. It is applicable only to Red Cross vessels, under charter or otherwise, and gives the Red Cross an opportunity to transport personnel and supplies for the relief of human suffering to Europe.

This joint resolution was considered in the Senate yesterday, and an amendment was added to clarify the situation and make it absolutely positive that such shipments would in no way involve this country. The joint resolution, containing this amendment, was considered by the Committee on Foreign Affairs this morning and reported unanimously. The amendment is as follows:

Provided, That where permission has not been given by the blocking power, no American Red Cross vessel shall enter a port where a blockade by aircraft, surface vessel, or submarine is being attempted through the destruction of vessels, or into a port of any country where such blockade of the whole country is being so attempted: *Provided further*, That such American Red Cross vessel shall be on a mission of mercy only and carrying only Red Cross materials and personnel.

This is the amendment adopted yesterday in the Senate, in addition to a small amendment adopted the other day, and it has the unanimous approval of the Foreign Affairs Committee.

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

Mr. BLOOM. I yield.

Mrs. ROGERS of Massachusetts. The gentleman feels this would not involve us in war in any way because the amendment safeguards the bill. It is a very very humane movement.

Mr. BLOOM. It is a humane provision that will permit the Red Cross vessels to go on their missions of mercy.

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

Mr. BLOOM. I yield.

Mr. MARCANTONIO. I am in entire sympathy with the objective of the bill, but what I am concerned about is this: Are we going to have naval escorts for these ships?

Mr. BLOOM. There will be no escorts. They will not be convoyed, and they will not be escorted, and they have no right to go anywhere where there is even any kind of blockade attempted—not only a blockade but an attempted blockade.

Mr. MARCANTONIO. And that would include an aerial blockade as well?

Mr. BLOOM. An aerial blockade or a submarine blockade or any other kind of blockade.

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

Mr. BLOOM. I yield.

Mr. SCHAFER of Wisconsin. We understand that none of our American ships will act as an escort.

Mr. BLOOM. No.

Mr. SCHAFER of Wisconsin. Will it be possible for the Red Cross ships covered by this bill to be escorted as part of a convoy of another belligerent nation?

Mr. BLOOM. No; that is absolutely forbidden.

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

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

Mr. CULKIN. I would like to inquire if arrangements have been made with the State Department to notify the several combatants of the progress of the ship and the route of the ship?

Mr. BLOOM. Not only that, but the Red Cross is in direct communication with all the countries so as to be sure about it.

Mr. CULKIN. I am talking about the State Department.

Mr. BLOOM. I just read the letter of the State Department which covers that point very clearly.

Mr. CULKIN. The route will not be changed as it was in another instance; that is, in the case of the *Washington*?

Mr. BLOOM. If the ship should leave an American port and was on its way over there and it should then be found there was any kind of blockade at that point, the ship would be notified immediately and they would have to change their course.

Mr. CULKIN. The gentleman misses my point. I am wondering if the State Department is going to keep in touch with the governments of the several combatants as to the route or any change of route.

Mr. BLOOM. I do not know about the State Department.

Mr. CULKIN. I think that is very important.

Mr. BLOOM. May I answer the gentleman by stating that the proper departments of the Government will be in communication. If it is the State Department—

Mr. CULKIN. The gentleman is not going to have the Labor Department, under Miss Perkins, communicate with Germany or England?

Mr. BLOOM. No.

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

There being no objection, the Clerk read the joint resolution (S. J. Res. 279), as follows:

Resolved, etc., That section 4 of Public Resolution No. 54, approved November 4, 1939, entitled "Joint resolution to preserve the neutrality and the peace of the United States and to secure the safety of its citizens and their interests" be, and is hereby, amended to read as follows:

"Sec. 4. The provisions of section 2 (a) shall not prohibit the transportation by vessels, unarmed and not under convoy, under charter or other direction and control of the American Red Cross of officers and American Red Cross personnel, medical personnel, and medical supplies, food, and clothing, for the relief of human suffering: *Provided*, That where permission has not been given by the blocking power, no American Red Cross vessel shall enter a port where a blockade by aircraft, surface vessel, or submarine is being attempted through the destruction of vessels, or into a port of any country where such blockade of the whole country is being so attempted: *Provided further*, That such American Red Cross vessel shall be on a mission of mercy only and carrying only Red Cross materials and personnel."

Mr. FISH. Mr. Speaker, I move to strike out the last word.

Mr. Speaker, I objected, or rather held up consideration of this bill a few days ago, because I thought there should be an amendment of this kind. This is a Senate amendment and evidently they thought likewise.

I want the House to realize that this is an amendment to the Neutrality Act and I think a very proper one, because I believe all the American people want our Red Cross ships to go on errands of mercy and on humanitarian errands to the other side. It has been the custom in the past to get safe conducts from the belligerent nations. There are so many belligerent nations, it is very difficult to get safe conducts from them all and therefore it was proposed in the original bill to send these ships over without such safe conducts. I thought it was a very dangerous procedure because these Red Cross ships might be torpedoed in the night or in a fog by being mistaken for other vessels and in this way we might become involved in war.

The amendment which the Senate has adopted and which the chairman of the committee, the gentleman from New York [Mr. BLOOM], has just offered here is very drastic. It may in some respects go too far, if that is possible, because it states that when a blockade is attempted of any country the Red Cross vessels cannot go to that country. Certainly every Member of this House knows that within 48 hours, as soon as peace terms are arranged between Germany and France, Germany will proclaim a blockade of England, or attempt to proclaim a blockade of England. This bill contains words "attempted blockade," so that a Red Cross vessel could not go to England without getting safe conduct from Germany. This is a very, very drastic amendment. I had proposed an amendment that the Red Cross ships should go at their own risk, which is more flexible, but would also keep us from being involved in war.

In view of this amendment, which goes even further than that, I am willing to accept it and support it, but I think the House ought to know all the facts, first, that this is an amendment to the Neutrality Act, and that it is a proper amendment, that the bill originally came in without any of those safeguards, and that is why we held it up, and the Senate amended it by the amendment referred to.

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

Mr. FISH. Yes.

Mr. MARCANTONIO. Who is to determine whether a blockade exists? Our State Department?

Mr. FISH. No; the wording of the bill is comprehensive. It says even when a blockade is attempted—not to one port, but it goes even further and says when a blockade is attempted of a whole country.

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

Mr. FISH. Yes.

Mr. BLOOM. I forgot to mention this—that it is in the resolution that the boat must be unarmed and not under convoy.

Mr. FISH. I think the gentleman mentioned that.

Mr. BLOOM. I did not say unarmed.

Mr. FISH. They must be unarmed, and not under convoy; and I say to my colleague the gentleman from New York [Mr. CULKIN] that they must radio all belligerent governments exactly where they are during practically every hour of the day, otherwise they would be guilty of criminal negligence, and during the night they will have an American flag and a Red Cross flag with a spotlight. There will be no risk taken as far as that is concerned.

Mr. MILLER. Did the gentleman figure it would be safer to put in the bill the language that the ships must travel at their own risk?

Mr. FISH. I offered that amendment myself, that American Red Cross ships should make the trip at their own risk. I thought that would be a good amendment, but this is more drastic as it goes much further, and they will not even be permitted to go to those nations if there is an attempted blockade. I think my amendment, perhaps, would be more

sensible and more flexible, that they should make the trip at their own risk. That would not involve us in war. This amendment is much more drastic. Mine would have been more flexible. I am sorry that I was not in the committee at the time, but someone offered the amendment for me and the committee decided on the Senate amendment.

The SPEAKER. The question now is on agreeing to the Senate joint resolution.

The Senate joint resolution was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

CONTINENTAL AEROSURVEYS CORPORATION

Mr. SOMERS of New York. Mr. Speaker, I ask unanimous consent for the present consideration of the bill (H. R. 10087) for the relief of the Continental Aerosurveys Corporation, which I send to the desk.

The Clerk read as follows:

Be it enacted, etc., That the time for the completion by the Continental Aerosurveys Corporation, 90 Broad Street, New York City, N. Y., of its contract with the Department of Agriculture, dated June 29, 1938, for the furnishing by such corporation to such Department of aerial photographs of lands within certain counties in northwestern Pennsylvania, is hereby extended to and including November 15, 1940. Such contract expires by its terms on June 30, 1940, performance by the corporation under it has been virtually completed, and irreparable loss will result both to the corporation and the Department of Agriculture unless the time for its completion is extended.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. MARTIN of Massachusetts. Mr. Speaker, as I understand it, this is merely extending the time for the completion of the work?

Mr. SOMERS of New York. Yes.

Mr. MARTIN of Massachusetts. And there is no additional expense involved?

Mr. SOMERS of New York. No.

The SPEAKER. Is there objection?

There was no objection.

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.

MARINE WAR-RISK INSURANCE

Mr. CLARK. Mr. Speaker, I call up House Resolution 522, which I send to the desk and ask to have read.

The Clerk read as follows:

House Resolution 522

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. 6572, a bill to amend the Merchant Marine Act, 1936, as amended, to provide for marine war-risk insurance and reinsurance and for marine-risk reinsurance, and for other purposes. That after general debate, which shall be confined to the bill and continue not to exceed 1 hour, to be equally divided and controlled between the chairman and ranking minority member of the Committee on Merchant Marine and Fisheries, 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 same 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 recommend with or without instructions.

Mr. CLARK. Mr. Speaker, I yield 30 minutes to the gentleman from New York [Mr. FISH].

Mr. Speaker, there is nothing unusual about this rule. It is an open rule. It is for the consideration of H. R. 6572, to amend the Merchant Marine Act, 1936, to provide for marine war-risk insurance and reinsurance and for marine reinsurance, and for other purposes. I yield 10 minutes to the gentleman from Virginia [Mr. BLAND].

Mr. BLAND. Mr. Speaker, the purpose of this bill is well expressed in the report in these words:

The purpose of the legislation is to make sure that American water-borne commerce will be kept moving. The inability—which may arise overnight—to secure from the usual sources the necessary protection of insurance against marine perils and marine war risks for American ships and their cargoes and the crews thereon would seriously jeopardize that commerce. Under existing

war conditions, such inability may arise on short notice without adequate opportunity for necessary readjustments because the American marine insurance market normally relies on support from the world insurance market. Under present international conditions it is doubtful whether any private national insurance market has sufficient capacity to protect the high values which may be exposed concurrently to war perils. While the American insurance market has been strengthened and increased since the World War and particularly since the outbreak of the present European war, the fact still obtains that the general or world insurance market may at any time under present conditions become inadequate or undesirable as a support for the American market, and then American shipping would lose the support of that market which has heretofore carried approximately one-half of the insurance necessary for American vessels and their cargoes. In fact, the American insurance market has been reinsuring in the world market part of the risks assumed by it. Under the circumstances, American commerce may be deprived overnight of part of the insurance protection needed to keep American commerce moving.

I wish to say to the House that marine insurance and war-risk insurance is the lifeblood of water transportation. When it stops, water-borne commerce will not move. When hearings were had on the original bill by the committee there was considerable opposition in which I shared. I felt that we should not insure foreign vessels and cargoes on foreign vessels. If you will refer to the bill you will find that every provision that was contained in the original bill providing for insurance of foreign vessels and cargoes in foreign vessels has been stricken from the bill. Those are the amendments that are contained in the original bill as it was reported to the House. I call attention to these words stricken from the bill:

Masters, officers, and crews of foreign vessels referred to in subsection (c) hereof against loss of life, personal injury, or detention by any government, except that the nation of the vessel or of the United States, following capture.

And so forth. I call attention to the following words:

Vessels of any foreign country not an enemy of the United States engaged in the foreign or domestic trade of the United States.

In the original bill foreign vessels and cargoes thereon would have been covered by insurance, but those features are now stricken from this bill. The bill we bring to you contains carefully drawn amendments expressly excluding all insurance of foreign vessels and cargoes in foreign vessels.

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

Mr. BLAND. I yield.

Mr. OLIVER. Is it not a fact that a number of representatives of private insurance businesses appeared before the committee and approved of the enactment of this bill?

Mr. BLAND. Yes; that is the fact.

Now, something was said about American insurance. This bill will help to build up American insurance. After we built up our merchant marine in 1916, and when we considered the Merchant Marine Act, 1920, there were on the Committee on Merchant Marine and Fisheries two members who are now here, the Speaker of the House and the gentleman from New York, Dr. CROWTHER. There was a careful study made then. We did not have much insurance in this country but with the building up of the American merchant marine there has been built up also marine insurance in this country, and those companies are taking a large part of the insurance now. Those companies have not reached the point where they can take all of the insurance, and, as a result, large coverages of marine insurance are reinsured in the markets of the world. Let the world market fail, and these companies have nowhere to go. The Government then steps in. If the competition that heretofore existed is destroyed, and the rates of an insurance company advance so that adequate insurance is not provided at reasonable rates, then the Government is able to take care of that situation and insure direct.

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

Mr. BLAND. I yield to the gentleman.

Mr. CROWE. Is it not a fact that there is need for this insurance, and the proof of that is that part of the insurance has been reinsured or carried in other markets, London and elsewhere, and now there is a possibility that that insurance may not be available?

Mr. BLAND. Yes; and this is the finest opportunity to get the business for America that I have ever known, because it is provided that only in event it is necessary to do so does the Government come in and insure these risks. This does help to build up marine insurance by private companies.

Let me tell you this: When we had the hearings before our committee, in May 1939, there did not exist adequate protection in the American market for insurance on the seamen—casualty insurance—but it developed at the hearing that we held yesterday that that market has been materially increased since our hearings in May of last year. There is being made an effort to build up the insurance market in the United States. Please remember that Great Britain has been a maritime nation for years and these other nations of the world as well for years—yea, for centuries—and they have gradually gotten the marine-insurance business. Now we are getting it.

It has been shown in the past that one of the most important factors in practicing discriminations against American transportation has been through marine insurance. It was so shown by a study that was made in 1920. We have found that it was necessary to get marine insurance here. It has been pretty well covered, but all has not been covered, and if the markets in which we reinsure should fail, our commerce may stop; surely we do not care to have our steamers lying at the docks, to have our cargoes upon the wharves and to be unable to send our goods upon the high seas, not to combat zones but to other areas simply because we cannot insure the hulls and the cargoes and the lives of the officers and crews on the ships.

Again I say marine insurance is the lifeblood of water-borne transportation.

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

Mr. BLAND. I yield.

Mrs. ROGERS of Massachusetts. Has the gentleman any statement that he can give from an insurance company regarding this sort of insurance—this Government marine insurance?

Mr. BLAND. No. I have no statement from them. They have not opposed it.

They have all been in favor of it. They want us to reinsure, to be prepared to take care of this situation; and we want them to build up their business. The more they can build it up the better we shall like it. This bill will help private business.

Mrs. ROGERS of Massachusetts. I am very glad the gentleman took out the provision with reference to insuring foreign vessels, whether belligerents or not.

Mr. BLAND. That is absolutely out. That was in the original bill, but it has been stricken out to meet objections. I am not so sure that possibly later, if we should not have the ships to carry our cargoes, but that we may need to do that. However, this bill will not permit it, and if that condition arises, we shall have to come back here.

[Here the gavel fell.]

Mr. CLARK. Mr. Speaker, I yield five additional minutes to the gentleman from Virginia.

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

Mr. BLAND. I yield.

Mr. MILLER. I am not as well informed on this bill as I should be, but I have had inquiries from Hartford insurance companies. Is this bill similar to S. 2566?

Mr. BLAND. I think it is, but I am not sure about the number.

Mr. MILLER. The question that has been asked me and which seems to be disturbing some people is the condition under which the Commission will take insurance. Under the terms of the bill the corporation or commission will take insurance only where it cannot be obtained at reasonable rates.

Mr. BLAND. That is true.

Mr. MILLER. The question that has been asked is, Who will determine the reasonableness of the rates?

Mr. BLAND. The Maritime Commission. The Commission determines that from the rates that are charged. There are no fixed rates that are controlled by the Commission or anything of that kind. London and the world markets have been the competitors. If those competitors are lost there may be a possibility that someone else would have to provide the reinsurance. It is the desire of the human heart, you know, to make money.

Mr. MILLER. I want to say that the letters I received from both these marine-insurance companies expressed confidence in the chairman of the committee who is now presenting this bill, and their question was for information and not in criticism. They indicated a desire to cooperate with the gentleman.

Mr. BLAND. I thank the gentleman. That was the only reason for putting the language in there—to provide against the possible removal of competitors that might lead to insurance rates going too high.

Mr. BRADLEY of Michigan. Mr. Speaker, will the gentleman yield?

Mr. BLAND. I yield.

Mr. BRADLEY of Michigan. When we considered this bill in committee we assumed that the Neutrality Act of 1939 would remain on the books. Since then articles have appeared in the papers which state that perhaps the Neutrality Act might be suspended, and very recently we heard a statement made by the gentleman who has just been nominated to be Secretary of the Navy to the effect that he would advocate the shipment of munitions and other contraband of war to the Allies in their own ships if they had them available, or in American ships if they were not available even if he perhaps had to send a naval convoy with them. Now, I ask the gentleman, Does he not think it would be worth while to cover that eventuality in this bill? Or does the gentleman think we should insure those cargoes if they went deliberately into the danger zone?

Mr. BLAND. I do not think we should extend it to them. I do not think this bill ought to deal with insurance of that kind.

Mr. BRADLEY of Michigan. Transportation of contraband by water should be without insurance if neutrality is suspended.

Mr. BLAND. That is probably true, but that question has never risen.

Mr. BRADLEY of Michigan. Would the gentleman accept such an amendment?

Mr. BLAND. I do not want to delay the bill. I would have to see the amendment first.

Mr. Speaker, may I explain a few other amendments that have been prepared? When the first section of the bill is read I am going to offer an amendment to strike out all after the enacting clause and insert a substitute, to make it a clean bill. I am going to tell you what amendments there are here. I want you to listen to this, because the only change that has been made since the bill was reported arises from the fact that when the bill was considered by the committee, for some reason the labor organizations did not appear either for or against it. In the bill as originally prepared is a provision that the maximum insurance for the death of a seaman would be \$5,000 and the minimum \$2,000, with certain percentages. Last Sunday I saw that the labor organizations had taken exception to that and said they wanted to come down and present their objections. I told them I would call the committee together and let them present their objections. They appeared, and the committee and I felt that there was some merit in the objections they presented. After the hearings yesterday morning the members of the committee asked us to sit around the table and see if we could not work out amendments that would be agreeable. They asked us to cut out any direct insurance, just to reinsure the usual rates. We found out that the insurance companies had materially increased their business in the United States on that kind of insurance, so we told them we would do that, that we would cut out direct insurance, but still we felt that there might not be sufficient business available in the United States to provide

ample coverage. So we added this amendment, which appears in the clean draft. We first cut out any direct insurance and then to protect against any eventuality whereby there might be no opportunity to insure these seamen, the masters, and the crews, we put a new section 224 in, and this meets with their approval.

The new section 224 reads as follows:

Whenever the Commission determines that insurance for masters, officers, and crews of American vessels against loss of life, personal injury, or detention by any government except that of the United States following capture, arising from risks of war, cannot, with the aid of reinsurance provided for under this subtitle, be obtained on reasonable terms and conditions from companies authorized to do an insurance business in a State of the United States, the Commission is authorized to provide such insurance on a basis corresponding to the war-risk insurance protection supplied, prior to such determination, for such personnel for companies authorized to do business in a State of the United States.

Mr. Standard, of the National Maritime Union, the C. I. O. members, the marine engineers, Mr. Scharenberg, representing the American Federation of Labor, all accepted this as satisfactory.

Then they had another fear. They were afraid that something in this bill might be designed to take away from them some of their rights under other laws of the United States. I do not think so. I could not see how it would. But if it did not and it was intended not to do so, I could not see how it would do any harm to say expressly that which we meant. So we added the following section:

Nothing in this subtitle shall be deemed to affect the rights of seamen under any provision of existing law.

Under the circumstances I feel that with the one amendment I am going to offer which only makes these changes, that we have met all of the objections that have been interposed by Members of the House and by labor organizations. Though they came at the last minute we were willing to sit down with them around a table and they showed a splendid spirit in trying to reach an agreement.

Mr. MILLER. Is it the contemplation of the committee that the rates set up under this bill will at the outset be lower than the prevailing rates? The domestic and foreign rates run just about the same.

Mr. BLAND. Does the gentleman mean insurance rates?

Mr. MILLER. Insurance rates.

Mr. BLAND. That is not contemplated. It is desired to have a stopgap there in the event we cannot move the commerce. I have not heard any suggestion up to the present time that there are unreasonable rates.

Mr. MILLER. This is to deal with an emergency. It is not contemplated to try to get any marine business today?

Mr. BLAND. That is correct. It is purely a stopgap.

Mr. Speaker, I believe that covers my explanation of the bill and this is also intended to cover my explanation if the rule is adopted.

[Here the gavel fell.]

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

Mr. Speaker, I desire to commend the members of the committee for their diligence, their intelligence, their sound common sense, and their careful action in the interest of the American people in rewriting this bill, because when it came to the committee from the administration the bill was a vicious proposal and one that would have involved us in war. It provided originally for the insurance of foreign vessels and for war material on foreign vessels. Many of those ships have already been sunk. We would have had an interest in the ships on account of having insured them and an interest in the war material. We would have been a party to the loss. But the committee carrying out the general good sense of the Congress, both on the Republican and Democratic side, has rendered a service to the country by repudiating this vicious proposal that came from some of the crackpots and brain trusters of the administration who would be only too glad to have us intervene and become involved in the present war overseas.

This is a very important bill and that is the reason I asked for consideration of it under a rule. There may

be some amendments offered. We want to expedite debate. It is an American bill today. Originally it was a foreign bill. Now it is aimed to protect American interests. The private insurance companies are for the bill, I am informed. It makes it possible to cover the marine insurance in the American market. Hitherto we have been dependent for our marine insurance very largely on Lloyds in London, England. This provides the mechanism so that we can get adequate marine insurance in America for American vessels; therefore it is a sound American proposition instead of being a foreign proposal which it was originally and one that would have led us to war. It is now a measure for peace and Americanism.

Mr. Speaker, I believe an amendment will be offered to make sure that if the Neutrality Act is repealed or any part of it, and I do not believe it will be, it will not again provide for insurance on foreign vessels and war materials. If this bill had gone through in its original form we would have been involved in all kinds of difficulties by this time. I do not believe it would have carried insurance into foreign lands, but I see in the newspaper today that 400 brand new American airplanes were seized in France by the German armed forces. Whether we would have had insurance on those airplanes or not under the original bill I do not know.

Mr. Speaker, Colonel Stimson and Colonel Knox, the proposed new members of the Cabinet, have given voice to certain interventionist views recently. Mr. Stimson, who is about to be made Secretary of War, says that we should permit American vessels, in fact we should use all American vessels, to carry contraband to the belligerents. If this bill had come here in its original form it would be in accordance with that gentleman's views today. This former Republican, this interventionist, and internationalist, who has left our ranks, and you are welcome to him as you are welcome to all our interventionists. They do not belong to our party, but to the Democratic Party under President Roosevelt, which is now the war party in the United States.

Mr. CULKIN. Will the gentleman yield?

Mr. FISH. I yield to the gentleman from New York [Mr. CULKIN].

Mr. CULKIN. I heard a statement this morning, I may say to the gentleman from New York, that Colonel Knox's speeches in 1936 cost the Republican Party 4,000,000 votes. I wonder if the gentleman would comment on that.

[Here the gavel fell.]

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

Mr. Speaker, I believe the gentleman underestimates it. I think that if these two distinguished and able gentlemen, Colonel Knox and Colonel Stimson, internationalists and interventionists—and they are entitled to their views—who have just gone over to the party where they belong, had stayed in the Republican Party and we had followed their advice and written an internationalist and interventionist plank for our foreign policy, the Republicans would have had even less votes than in 1936. I do not believe the Republican Party would even carry Maine and Vermont. It is a godsend to the Republican Party that they have gone over where they belong, which assures our having an antiwar platform.

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

Mr. FISH. I yield to the gentleman from North Carolina.

Mr. CLARK. I just want to inquire if the gentleman is still speaking on the rule.

Mr. FISH. I will come back to that rule in due course.

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

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

Mr. SCHAFER of Wisconsin. The Republican party has not lost anything because these two pseudo Republicans, these foreign-war interventionists have enlisted in the New Deal forces. They had already strayed in New Deal pastures, and their appointment merely gives the New Deal an absolute title to them, and they will no longer be able to fool Republicans who believe in preserving our American constitutional democracy and are opposed to New Deal-Soviet autocracy.

Mr. FISH. I may say to the gentleman that, in my humble opinion, I believe it is the most fortunate thing and the best thing that could happen to the Republican Party that these internationalist and interventionist termites, able and distinguished men though they be, have left our party. I believe now that we will be able to elect a Republican President this fall on an antiwar platform.

Mr. SCHAFER of Wisconsin. They have now deserted our party and have joined the hosts of third "term-ites," who are moving forward into the new European war under the smoke screen which covers the Roosevelt third-term "blitzkrieg."

Mr. FISH. Does the gentleman mean the war party?

Mr. SCHAFER of Wisconsin. Yes. The New Deal is the war party. They have now shown their hand.

Mr. FISH. We should take that issue right to the people on the basis of "peace or war, which will you have?"

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

Mr. FISH. I yield to the gentleman from Connecticut.

Mr. MILLER. Do I correctly understand the gentleman to say that the private insurance companies are satisfied with this bill?

Mr. FISH. Do not take my word for that, but I was told by a member of the committee that the private insurance companies are satisfied with it. It extends our American market to cover the kind of insurance we hitherto could not obtain in this country and had to go to Lloyds for. I think that is the purpose of the bill.

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

Mr. FISH. I yield to my distinguished friend from Oklahoma.

Mr. MASSINGALE. I am just wondering, inasmuch as the gentleman is now speaking of riddances from the Republican Party, if he feels much elated over the prospect of getting the platform which John L. Lewis is going to write for the gentleman's party.

Mr. FISH. I am talking not about the labor planks, I am talking about the program of peace or war. I want that issue taken to the American public, that is all. I would even like to have it decided in the Democratic State of Oklahoma, and I know what the result would be.

Mr. OLIVER and Mr. BENDER rose.

Mr. FISH. I would rather not have too much politics. I would rather talk about the bill.

Mr. OLIVER. Will the gentleman yield for a statement on the question asked by the gentleman from Connecticut?

Mr. FISH. I yield to the gentleman from Maine.

Mr. OLIVER. With reference to the endorsement which has been given this legislation by representatives of private insurance interests, I would call the attention of the gentleman to the hearings on this bill as of last year, which carry a statement by Hendon Chubb, of the firm of Chubb & Son, of New York City, who endorses the bill.

Mr. FISH. That is one of the best firms in the country.

Mr. OLIVER. The hearings also contain the statement of William R. Hedge, president of the Boston Insurance Co., of Boston, Mass., a large underwriter of marine risks, who also endorses the bill. Other individuals representing private interests also appeared before the committee and made a similar endorsement.

Mr. FISH. I am very glad the gentleman has made that statement. This is an important measure. It is a good bill, and an American bill. It started out to be a vicious proposal, a foreign and an un-American bill.

I want to be sure that it has all the safeguards that will protect us from these former Republicans and interventionists who are about to go into the Cabinet, and who are not satisfied with turning over our American Merchant Marine to be used to carry contraband to the belligerent nations but even want to turn our Navy and our navy yards over to be used by belligerent nations. I think you Democrats had better be watchful of some of these former Republicans who are now in your ranks as they are the most ardent interventionists in this country. [Applause.]

[Here the gavel fell.]

Mr. CLARK. Mr. Speaker, I yield 5 minutes to the gentleman from New York [Mr. MARTIN J. KENNEDY].

Mr. MARTIN J. KENNEDY. Mr. Speaker, I rise to congratulate the committee for reporting this bill. It will be the beginning of a service we have needed in this country for many years. No one who has read the story, Lloyds of London, or has visited that institution in London can help but appreciate that marine insurance has been inseparable from commerce since the beginning of 1687. There is more romance and background to this form of insurance, dating back to 1687, than any other known type of insurance. With the organization of Lloyds in Lloyds Coffee House began the extension of the British merchant marine, circumventing the seven seas. Even to the present day the focal point of Lloyds is the "room," preserving in a remarkable degree the old traditions brought into conformity with modern requirements.

In the middle of the "room" is the world-famous rostrum, the successor of the old pulpit from which the coffee-house waiter used to read out the news of the day to the clients, and from which, subsequently, announcements of ships overdue or of sea disasters have been given out. Here is hung the world-renowned "Lutine Bell" which is sounded when one of these unhappy notices is made. The tolling of the bell, while bearing news of loss of vessel and/or cargo, also meant that any financial loss to ship or cargo would be paid by the underwriters at Lloyds, and as well—the successful expansion of the British merchant marine. Everything on a vessel may be covered. All sorts of hazards are underwritten. We know that in wartime the rates go skyrocketing because of the extra hazard involved.

Throughout the years the principal market for marine insurance has been in London and Japan. Other countries have groups but in those countries were located the two principal markets. It was rather interesting a short time ago, when Japan and England seemed to be at odds politically they were engaged in reinsuring each other's marine risks. The business interests of these countries had to set up a new insurance program to meet the situation. In our country vessels are worth millions of dollars, and until a few years ago it was practically impossible for the American underwriters to assume risks of such proportion. The laws of the various States have been amended so that more capital is now available in the marine market and as a result, we now operate a marine insurance pool in this country similar to the foreign pool known as Lloyd's of London. Our shipowners found it almost impossible to obtain a sufficient amount of coverage in the domestic market and were therefore compelled to use foreign markets. With present conditions, that foreign market will not be available. A great many of our American liners are now carrying their insurance with Lloyd's because of lower rates and those lower rates were possible by reason of taxation and other charges with which we are all familiar.

I believe that our Government, as suggested by the gentleman from Virginia [Mr. BLAND], will offer substantial encouragement to our marine companies if this bill is passed. Our companies have long needed the encouragement and moral support that this bill will provide, because it will eliminate any possibility of an inadequate marine-insurance market.

For years Italy has required its shipowners to procure their insurance in the Italian market which is subsidized by the Government. Considerable of our premiums have been sent abroad, and this bill will keep a market open, stabilize rates, and retain the funds in the United States.

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

Mr. MARTIN J. KENNEDY. I yield to my colleague from New York.

Mr. CULKIN. I simply wish to observe that I think the gentleman is making a very valuable contribution here, and it is especially valuable because he is one of the real intelligentsia and one of the seagoing figures in the insurance world.

Mr. MARTIN J. KENNEDY. I thank the gentleman for his compliment.

I believe we should adopt this rule and vote for the bill because, in my opinion, based on an experience in the insurance business of more than 25 years, this bill will provide a much-needed safeguard for shipowners and operators flying the American flag.

If we need any further reason for the passage of this bill we can find it in the following letter from President Roosevelt to the President of the Senate:

THE WHITE HOUSE,
Washington, June 20, 1940.

THE PRESIDENT OF THE SENATE.

SIR: There is a bill, S. 2566, now pending before the Committee of Commerce of the Senate, which I consider to be of such importance to the American merchant marine and to the national defense that its enactment at this session of Congress is highly desirable in the national public interest. An identical bill, H. R. 6572, is pending on the Union Calendar of the House of Representatives.

The bill (S. 2566) to amend the Merchant Marine Act, 1936, as amended, to provide for marine war-risk insurance and reinsurance and for marine risk reinsurance, and for other purposes, would make emergency provision for Government insurance against marine and marine war risks for American vessels, cargoes thereon, and crews thereof, when insurance protection cannot be supplied in the American insurance market on a basis adequate for the needs of such shipping. Marine insurance is an essential factor in our water-borne commerce. Under existing conditions such commerce may suddenly, by reason of the unavailability or undesirability of the world insurance market now resorted to, be unable to procure such protection on reasonable terms. The Government therefore must be in a position to supply the insurance protection necessary to keep American water-borne commerce moving in any such emergencies. I emphasize the need for prompt enactment of this legislation because the need therefor may become acute at any time, particularly in the cases of certain American vessels of such high value that the American insurance market is inadequate to cover the risks involved.

I believe you will agree with me that the prompt consideration and enactment of this measure is essential to the maintenance of our domestic and foreign commerce, and to our national economy. I will appreciate whatever steps you may deem it advisable to take in order to expedite the consideration of this measure by the Senate.

Sincerely,

FRANKLIN D. ROOSEVELT.

[Applause.]

[Here the gavel fell.]

Mr. FISH. Mr. Speaker, I yield 5 minutes to the distinguished gentleman from New York [Mr. CULKIN].

Mr. CULKIN. Mr. Speaker, you give either a girl or a dog—and I do not mean to put them on the same intellectual plane—but give either one of them a bad name, and it is very difficult for them to live it down.

This bill, as has already been suggested here, had some malformations at birth. Those have already been referred to by the distinguished gentleman from New York [Mr. FISH]. It purported to cover foreign ships and foreign sailors. May I say to the House that very early in the consideration of the bill little birds began to whisper to the members of the committee on this side of the aisle that there were some phases of this bill that were mistaken, unfortunate, and ill-timed. It was claimed that they had in themselves the seeds of intervention with resulting war. May I emphasize the fact that all those provisions over which there was so much stir and ado in the beginning have all been eliminated. Today, this bill is naked of any provision which would give comfort to any interventionist. It would not give comfort in any respect even to the new Secretary of War, Mr. Stimson, or the new Secretary of the Navy, Colonel Knox, both of whom are ardent interventionists. Nor is there anything in this bill that should give pause to any nationalist. Some people call them isolationists, but I am pleased to call them nationalists.

This bill is a sound, rational bill, rational in every respect. It simply enables the American marine to keep on the sea. By reason of the tremendous overhead and overcharge or insurance charges incident to transportation on the sea in these troubled days, this type of insurance is necessary.

May I say also to certain gentlemen who were apprehensive about its effect on the Treasury, that in the World War the operation of this insurance after the corporation or the division was wound up, turned into the Treasury in good, round, American dollars, \$17,500,000. I think it was the only branch of Government that actually paid a profit. This bill is necessary to implement our merchant marine.

As the distinguished chairman said, it is actually the lifeblood of our commerce. The passage of this bill is test of our ability to keep our ships on the sea. The committee is unanimously for it and I trust the House will pass it by a voice vote. The committee has gone over it with a fine-tooth comb. The committee heard these whisperings that came to us. We considered them, and as the bill is written, with the amendment that will be offered by the chairman, it will be a constructive law, with no phase of intervention or anything that will in any way limit or qualify the existing Neutrality Act.

Mr. BRADLEY of Michigan. Mr. Speaker, will the gentlemen yield?

Mr. CULKIN. Yes.

Mr. BRADLEY of Michigan. Does the gentleman not agree that we ought to protect ourselves against the possible suspension of the Neutrality Act? I propose to offer an amendment when in Committee of the Whole to protect us against possible suspension of the Neutrality Act so that we will not insure cargoes of vessels that carry contraband.

Mr. CULKIN. I am not going to oppose that amendment. But there may be some ministerial phases of this insurance that might be complicated.

Mr. BRADLEY of Michigan. I feel certain that there would not be.

Mr. CULKIN. I mean phases of administration.

Mr. BRADLEY of Michigan. I am sure there would not.

Mr. CULKIN. I will be glad to support the amendment.

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

Mr. FISH. Mr. Speaker, I yield 5 minutes to the gentleman from California [Mr. WELCH].

Mr. WELCH. Mr. Speaker, this bill was carefully considered and unanimously reported by the Committee on Merchant Marine and Fisheries. Its purpose may be defined by two brief sections:

SEC. 221. (a) For the purpose of protecting the water-borne commerce of the United States from the impediments and burdens arising from the lack of adequate facilities for the insurance of such commerce, the Commission is authorized to provide marine insurance and reinsurance against loss or damage by the risks of war and reinsurance against loss or damage by marine risks, as prescribed in this subtitle, whenever it appears to the Commission that such insurance adequate for the needs of the water-borne commerce of the United States cannot be obtained on reasonable terms and conditions from companies authorized to do an insurance business in a State of the United States.

This section has been approved by the insurance interests of the country that appeared before our Committee on Merchant Marine and Fisheries. The second important section reads as follows:

SEC. 224. Whenever the Commission determines that insurance for masters, officers, and crews of American vessels against loss of life, personal injury, or detention by any government except that of the United States following capture, arising from risks of war, cannot, with the aid of reinsurance provided for under this subtitle, be obtained on reasonable terms and conditions from companies authorized to do an insurance business in a State of the United States, the Commission is authorized to provide such insurance on a basis corresponding to the war-risk insurance protection supplied, prior to such determination, for such personnel by companies authorized to do business in a State of the United States.

This section, covering the seamen, was approved by the groups representing the seamen. In order to remove any possible doubt as to their rights under what is known as the Jones Act of 1920, this concluding section was written into the proposed bill:

SEC. 227. Nothing in this subtitle shall be deemed to affect the rights of seamen under any provision of existing law.

Therefore, Mr. Speaker, both the seamen and those who insure ships and cargoes are satisfied with the provisions of this bill, as amended. I yield back the remainder of my time.

Mr. FISH. Mr. Speaker, I yield 5 minutes to the gentleman from Wisconsin [Mr. KEEFE].

Mr. KEEFE. Mr. Speaker, the only reason I take this time is because I had the honor of being a member of the Com-

mittee on Merchant Marine and Fisheries when this bill in its original form came before the committee last May, and I was privileged to direct the attention not only of the committee but of the country to the very dangerous provisions found in that bill, which, in the face of threatened repeal of the arms embargo, would have permitted the insurance of not only American vessels but the insurance of foreign ships and their crews carrying contraband. The committee has done a fine job in striking out all of the obnoxious provisions of this bill, so that the bill as it now comes before the committee should not receive the adverse vote of any Member of this House. There is only one thing to which I want to direct the attention of the Committee, and that is the amendment which will be offered by my colleague the gentleman from Michigan [Mr. BRADLEY]. If you will refer to this bill, you will see that it authorizes the Commission to insure against loss or damage by risk of war, property, and person, as follows:

(1) American vessels, including vessels under construction, (2) cargoes shipped or to be shipped therein.

In view of the fact that the new Secretary of War who has recently been placed in the Cabinet and his interventionist partner, who has recently been made Secretary of the Navy, have been openly advocating the use of American ships in transportation of contraband abroad—

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

Mr. KEEFE. I yield.

Mr. BLAND. The gentleman wants that amendment accepted, does he?

Mr. KEEFE. Yes; I want it accepted. I understand the chairman of the committee will be pleased to accept such an amendment?

Mr. BLAND. I will.

Mr. KEEFE. That will definitely prohibit the insurance of ships or crews, in the event of a suspension or abandonment of the Neutrality Act, which are engaged in the business of carrying contraband. [Applause.]

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

Mr. KEEFE. I yield.

Mr. BATES of Massachusetts. In respect to the question of the use of shipping facilities of this country I am in possession of a letter from the United States Maritime Commission in which they cite an article in the New York Journal of Commerce of May 27, 1940, in which they say:

It would appear from the above that the Allies have sufficient merchant tonnage to move whatever war supplies, foodstuffs, and other essential materials that they may require from the United States.

So there is no occasion for lifting the ban and permitting our own ships to carry this stuff across the water.

Mr. KEEFE. Well, I know that the press have carried stories repeatedly, day after day, that ultimately there would be a proposal to suspend those provisions of the present Neutrality Act which prohibit the shipment of munitions of war in American bottoms, and if that is true I do not want the United States Government to be engaged in the business of insuring bottoms and crews and cargoes which are to be used for the shipment of munitions of war.

The chairman of the committee has indicated he is willing to accept the amendment that will be offered, and I do not care to take any more time on the subject.

The SPEAKER. The time of the gentleman has expired.

Mr. FISH. Mr. Speaker, I yield the balance of my time to the gentleman from Wisconsin [Mr. SCHAFER].

Mr. SCHAFER of Wisconsin. Mr. Speaker, I am opposed to this bill, notwithstanding the claim that it is emergency legislation.

I note that this so-called emergency legislation, H. R. 6572, was introduced in the House on May 31, 1939. At that time it included United States Government insurance for cargoes, vessels, and crews of foreign governments as well as our own. The overburdened taxpayers of the United States were going to hold the bag and foot the bill for this New Deal, socialistic Government in the insurance-business program.

It has been stated in debate on this bill that the bill was a reinsurance proposition. Subsection (a) of section 221, appearing at the top of page 2, reads as follows:

The Commission is authorized to provide marine insurance and reinsurance.

So this is not merely a reinsurance bill. This is a socialistic Government insurance program. The Government of the United States is going into subsidized competition with the private insurance corporations of the United States. This insurance underwriting Government agency will be subsidized from our almost bankrupt Federal Treasury, notwithstanding the fact that the hearings, which I hold in my hand, page 8, indicate that Mr. B. K. Ogden, Insurance Director of the United States Maritime Commission, testified that our American insurance market had ample facilities to insure 95 percent of all our American vessels and all of our American cargoes.

Mr. MARTIN J. KENNEDY. Mr. Speaker, will the gentleman yield?

Mr. SCHAFER of Wisconsin. I yield for a brief question.

Mr. MARTIN J. KENNEDY. This measure is purely permissive. In the event the market is not available, the Maritime Commission may provide for the insurance.

Mr. SCHAFER of Wisconsin. I admit that, but when you give these New Deal bureaucrats authority to spend unlimited sums of public money to enter Government competition with private business institutions in the United States you and I know that they will operate in a big way. The sky is the limit, insofar as the amount of money which they can obtain and spend from our almost bankrupt Treasury, under subsection B of section 221 of this bill. Mr. Speaker, I ask the Members of the House to hesitate before you vote for this socialistic bill, which has no doubt been imported direct from Moscow by our New Deal brethren, who believe that the Government should own and operate all business. Government subsidized competition with private business is unfair and destructive, and contrary to the principles of our American constitutional system of government.

Remember that there is no limitation on the amount of public funds which can be expended for this Government in the insurance-business program. Subsection B of section 221 of this bill authorizes the funds—an unlimited amount—for these New Deal bureaucrats to play with. There is no provision in this bill which sets up a yardstick for insurance-premium rates. The proponents of this bill tell us that nearly all of the private insurance underwriters in the country favor this bill. This notwithstanding the fact that the only persons who testified at the hearings in favor of this bill as representatives of insurance underwriters were William R. Hedge, president of the Boston Insurance Co., and Hendon Chubb, who represents foreign insurance corporations in the United States. Roosevelt & Sargeant, who now carry a great deal of the insurance on our American merchant marine, which is heavily subsidized from the Federal Treasury, and who also represent foreign insurance corporations, did not even appear, although this bill will be very helpful to them, as it will be to Mr. Hendon Chubb. [Applause.]

Mr. Speaker, I sincerely hope that this un-American, socialistic Government in the insurance business bill will be defeated.

[Here the gavel fell.]

EXTENSION OF REMARKS

By unanimous consent Mr. THOMASON was granted permission to revise and extend his own remarks.

MARINE WAR-RISK INSURANCE

Mr. BLAND. Mr. Speaker, I move the previous question. The previous question was ordered.

The SPEAKER. The question is on agreeing to the resolution.

The resolution was agreed to.

TO AMEND THE FEDERAL RESERVE ACT

Mr. SMITH of Virginia, from the Committee on Rules, submitted the following resolution (H. Res. 543, Rept. No. 2693):

which was referred to the House Calendar and ordered printed:

House Resolution 543

Resolved, That immediately upon 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 consideration of H. R. 10127, a bill to amend the Federal Reserve Act, and for other purposes. That after general debate, which shall be confined to the bill and shall continue not to exceed 1 hour, 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 reading of the bill for amendment, the Committee shall rise and report the same to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

MARINE WAR-RISK INSURANCE

Mr. BLAND. Mr. Speaker, I ask unanimous consent that this bill may be considered in the House as in Committee of the Whole.

The SPEAKER. Is there objection?

Mr. MARTIN of Massachusetts. Reserving the right to object, I understand 10 minutes is required for general debate on this side. Will the gentleman agree to that?

Mr. BLAND. I have no objection.

The SPEAKER. The Chair will recognize Members under the 5-minute rule for that amount of time.

Is there objection?

There was no objection.

The Clerk read as follows:

Be it enacted, etc., That title II of the Merchant Marine Act, 1936, as amended, is amended by adding at the end thereof a subtitle, to read as follows:

Mr. BLAND. Mr. Speaker, I desire—and this will be subject to amendment—to strike out the first section and to substitute with notice that I will strike out all other sections of the bill and ask that there be considered the amended bill which I send to the desk and which I will explain.

The Clerk read as follows:

That title II of the Merchant Marine Act, 1936, as amended, is amended by adding at the end thereof a subtitle, to read as follows:

"SUBTITLE—INSURANCE

"SEC. 221. (a) For the purpose of protecting the water-borne commerce of the United States from the impediments and burdens arising from the lack of adequate facilities for the insurance of such commerce, the Commission is authorized to provide marine insurance and reinsurance against loss or damage by the risks of war and reinsurance against loss or damage by marine risks, as prescribed in this subtitle, whenever it appears to the Commission that such insurance adequate for the needs of the water-borne commerce of the United States cannot be obtained on reasonable terms and conditions from companies authorized to do an insurance business in a State of the United States.

"(b) There shall be in the Treasury of the United States a revolving fund to be known as the marine and war-risk insurance fund (hereinafter referred to as the fund), to be used for carrying out the provisions of this subtitle, and to be constituted of such sums as may be appropriated to such fund and of moneys and receipts credited thereto as herein provided. There are hereby authorized to be appropriated to such fund such sums as may be necessary to carry out the provisions of this subtitle. All moneys received from premiums and from salvage or other recoveries, and all receipts in connection with this subtitle shall be deposited to the credit of such fund. Payments of return premiums, losses, settlements, judgments, and all liabilities incurred by the United States under this subtitle shall be made from such fund.

"SEC. 222. The Commission may insure against loss or damage by the risks of war property, as follows:

"(a) (1) American vessels (including vessels under construction), (2) cargoes shipped or to be shipped therein, (3) their disbursements, and freight and passage moneys, and (4) personal effects of the masters, officers, and crews of such vessels.

"(b) (1) Commercial vessels (including vessels under construction) owned or controlled by the United States or any department or agency thereof, (2) cargoes owned by the Government or in which the Government has an insurable interest, to the extent of such interest, (3) their disbursements, and freight and passage moneys, and (4) personal effects of the masters, officers, and crews thereof.

"SEC. 223. (a) The Commission may reinsure any company authorized to do an insurance business in any State of the United States on account of marine and marine war risks, including protection and indemnity risks, assumed by any such company, on (1) property or interests as set forth in section 222 (a) and (b) of this subtitle, and (2) masters, officers, and crews of American

vessels (including any such vessel owned or controlled by or chartered to the Commission) against loss of life, personal injury, or detention by any government except that of the United States following capture.

"(b) The Commission may reinsure, in whole or in part, with companies authorized to do an insurance business in a State of the United States, war risks assumed by the Commission under this subtitle.

"(c) Any department or agency of the United States is hereby authorized to procure insurance from the Commission as provided for in section 222 (b) of this subtitle, except as provided in the Government Losses in Shipment Act, approved July 8, 1937 (50 Stat. 479).

"Sec. 224. Whenever the Commission determines that insurance for masters, officers, and crews of American vessels against loss of life, personal injury, or detention by any government except that of the United States following capture, arising from risks of war, cannot, with the aid of reinsurance provided for under this subtitle, be obtained on reasonable terms and conditions from companies authorized to do an insurance business in a State of the United States, the Commission is authorized to provide such insurance on a basis corresponding to the war risk insurance protection supplied, prior to such determination, for such personnel by companies authorized to do business in a State of the United States.

"Sec. 226. (a) The Commission in the administration of this subtitle is authorized to adjust and pay losses, compromise and settle claims whether in favor of or against the Government, and to pay the amount of any judgment rendered in respect of any suit or settlement agreed upon in respect of any claim. The determinations of the Commission with respect to adjustments, compromises, settlements, and payments hereunder shall not be subject to review by any other executive or accounting officer of the Government.

"(b) The Commission is authorized to prescribe such forms and policies, to change or modify such forms and policies as may be necessary or appropriate under the circumstances, and to fix and adjust, as may be required by circumstances, the rates and changes of rates of insurance provided for in this subtitle.

"(c) The Commission is authorized and directed to prescribe such rules and regulations as may be necessary or appropriate to carry out the provisions of this subtitle. The Commission is authorized, in administering the provisions of this subtitle, to exercise its powers, perform its duties and functions, and make its expenditures, in accordance with commercial practice in the marine insurance business.

"(d) The Commission, without regard to the laws, rules, or regulations relating to the employment of employees of the United States, may appoint and prescribe the duties of such number of experts in marine insurance as the Commission may deem necessary in carrying out the provisions of this subtitle. The Commission, with the consent of any executive department, independent establishment, or other agency of the Government, including any field service thereof, may avail itself of the use of information, services, facilities, officers, and employees thereof in carrying out the provisions of this subtitle.

"(e) The Commission shall include in the annual report to Congress a detailed statement of all activities and of all expenditures and receipts under this subtitle for the period covered by such report.

"(f) When used in this subtitle the term 'American vessels' means vessels registered, enrolled, or licensed under the laws of the United States.

"Sec. 227. Nothing in this subtitle shall be deemed to affect the rights of seamen under any provision of existing law.

The SPEAKER. The gentleman from Virginia is recognized for 5 minutes.

Mr. BLAND. Mr. Speaker, there has been no change in this bill which I have sent to the Clerk's desk in section 221 of the original bill.

Section 222 of the bill which I have sent to the Clerk's desk strikes out the words "and persons," in line 2. This was desired by the labor people.

This is the place, I think, where the amendment proposed by the gentleman from Michigan [Mr. BRADLEY] should come. Then it reads as follows:

(a) (1) American vessels (including vessels under construction), (2) cargoes shipped or to be shipped therein, (3) their disbursements, and freight and passage moneys, and (4) personal effects of the masters, officers, and crews of such vessels.

We struck out lines 8 to 13 which were objected to by the labor people; and there had already been stricken out the remainder of the bill down to and including line 24.

Mr. BRADLEY of Michigan. Mr. Speaker, will the gentleman yield there?

Mr. BLAND. I yield.

Mr. BRADLEY of Michigan. The amendment I propose to offer should go in at the end of line 4, after the word "therein", as the bill now appears.

Mr. BLAND. That will be line 21, page 2, of the amendment. Here is the way it reads. Line 20:

(a) (1) American vessels (including vessels under construction), (2) cargoes shipped or to be shipped therein—

And so forth. So the gentleman's amendment will come on page 2, line 21.

Mr. BRADLEY of Michigan. I thank the gentleman.

Mr. BLAND. Then comes the provision with reference to commercial vessels, including vessels under construction, owned or controlled by the United States or any department or agency thereof; and there was stricken out any seamen's insurance for the masters, officers, and crews of such vessels subject to the provisions of section 224 of this subtitle. That was agreed to with the labor organizations yesterday. I think that explains the entire subsection 222, and the gentleman's amendment would be in order.

Mr. BRADLEY of Michigan. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. BRADLEY of Michigan: On page 2, line 21 of the amendment, after the word "therein", strike out the comma and insert: "Provided, That in the event of the suspension of the present neutrality law no vessel, or officers, or crew carrying contraband, and no cargo of contraband shall be insured under any provision of this act."

The SPEAKER. Without objection, the amendment will be agreed to.

There was no objection.

Mr. BLAND. As to section 223 of the original bill the only change in the amended bill is by inserting after subtitle (c):

And (2), masters, officers, and crews of American vessels including any such vessel owned or controlled by or chartered to the Commission against loss of life, personal injury, or detention by any government except that of the United States following capture.

That is inserted, and the reason for that is that it was desired by the labor organizations. They felt it would be well to have reinsurance by the Government in the event that the insurance companies needed it.

Mr. VORYS of Ohio. Mr. Speaker, I move to strike out the last word.

The SPEAKER. The gentleman from Ohio is recognized for 5 minutes.

Mr. VORYS of Ohio. Mr. Speaker, I have a high regard for the members of the Merchant Marine Committee and for Admiral Land, yet I cannot see how I can support this legislation which is war legislation rather than peace or neutrality legislation.

In 1914 when we had similar legislation we were demanding freedom of the seas, and we finally went into a war over that issue among others. Last year we adopted a Neutrality Act which gave the President power to create or destroy combat areas and to permit shipping to go under just such circumstances as he desired any place on earth or to keep out of any place on earth. If he is exercising that power as he has so far, then I cannot see how there is any war risk for American shipping. The committee report does not say that any of this legislation or this insurance is needed at the present time. It merely says that it may be needed. I can conceive of no circumstance under which it would be needed except that the President, without repeal of any neutrality law, would simply do as he has the power to do, change entirely his idea of combat areas and permit our ships to go places where they would actually be subject to war risks. We have in this bill on page 6, for instance, reference to paying the wages of the crew during detention following capture. Peaceful, neutral ships are not captured. Ships are captured when a nation is at war or when they are going into dangerous places.

This insurance does not go into effect except when such insurance cannot be obtained from private sources or when the Commission thinks private insurance is not adequate, so that unless it is contemplated strictly as a war measure, or there is contemplated a change in our neutrality policy, this is not needed.

We have had open announcements, however, that our neutrality policy is being changed by the President. Of course, if that is the object of this bill, that would be a reason for its going into effect; otherwise, it goes into effect when the Commission thinks that the rates which are available are not adequate. This would then put the Government into competition, not as a substitute for private insurance when private insurance is not available, but would permit the Government to go into competition whenever the Government thought that private insurance was inadequate.

Colonel Knox, in 1936, during the campaign, made a statement in which he said that if the New Deal were re-elected insurance would not be safe in this country. That was embarrassing to both Republicans and Democrats at that time because it was felt the statement was not true. I wonder if the new Secretary of the Navy feels that if the New Deal goes in for 4 more years marine insurance will not be safe?

This report states that there is no present need for the insurance, merely that private insurance may be unavailable or inadequate. Therefore, feeling as I do, that this can only be necessary in case of an entire change in the policy of administering our neutrality law—and it can be done without any repeal of the law—I cannot see how I could support this legislation.

Mr. OLIVER. Will the gentleman yield?

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

Mr. OLIVER. Can the gentleman conceive of any situation arising from military developments where the London market may not be available for reinsurance?

Mr. VORYS of Ohio. Yes.

Mr. OLIVER. Should not some means be established whereby the situation can be taken care of?

Mr. VORYS of Ohio. That is not a governmental affair over there. Lloyds is a private institution and I think we should continue to have insurance from private sources.

[Here the gavel fell.]

Mr. BLAND. Mr. Speaker, section 224 of the present bill is entirely stricken and there is substituted for section 224 the section, which I read when I addressed the House before, as follows:

Sec. 224. Whenever the Commission determines that insurance for masters, officers, and crews of American vessels against loss of life, personal injury, or detention by any government except that of the United States following capture, arising from risks of war, cannot, with the aid of reinsurance provided for under this subtitle, be obtained on reasonable terms and conditions from companies authorized to do an insurance business in a State of the United States, the Commission is authorized to provide such insurance on a basis corresponding to the war-risk insurance protection supplied, prior to such determination, for such personnel by companies authorized to do business in a State of the United States.

The labor people want it. They feel there may be such a condition, though very remote, and I felt so, too. That is to be taken care of by this amendment.

In section 226 the only change is at the bottom of page 9, where the quotation marks are stricken out because there has been added a new section, section (f). Then after that there is a new section added, No. 227, requested by the labor people, as follows:

Sec. 227. Nothing in this subtitle shall be deemed to affect the rights of seamen under any provision of existing law.

Mr. Speaker, those are all the changes that have been made.

The SPEAKER. The question is on the amendment offered by the gentleman from Virginia.

The amendment as amended was 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.

FURTHER MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Frazier, its legislative clerk, announced that the Senate having proceeded to reconsider the bill (H. R. 9381) entitled "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," returned by the President of the United States to the House of Representatives, in which it originated, with his objections, and passed by the House on a reconsideration of the same, it was

Resolved, That the said bill pass, two-thirds of the Senators present having voted in the affirmative.

The message also announced that the Senate agrees to the amendments of the House to the amendments of the Senate numbered 65 and 66 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."

The message also announced that the Vice President had appointed Mr. BARKLEY and Mr. TOBEY members of the Joint Select Committee on the Disposition of Executive Papers on the part of the Senate, as provided for in the act of February 16, 1889, as amended by the act of March 2, 1895, entitled "An act to authorize and provide for the disposition of useless papers in the executive departments," for the disposition of executive papers in the following departments and agencies:

1. Department of the Interior.
2. Department of Justice.
3. Department of the Navy.
4. Department of the Treasury.
5. Department of War.
6. Federal Reserve System.
7. Federal Works Agency.
8. Veterans' Administration.

TO DIVEST PRIZE-FIGHT FILMS OF THEIR CHARACTER AS SUBJECTS OF INTERSTATE COMMERCE

Mr. PEARSON. Mr. Speaker, I call up the bill S. 2047, to divest prize-fight films of their character as subjects of interstate or foreign commerce, and for other purposes, and ask for its immediate consideration.

The Clerk read the title of the bill.

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

Mr. MARTIN of Massachusetts. Mr. Speaker, reserving the right to object, will the gentleman explain the bill?

Mr. PEARSON. Mr. Speaker, this bill repeals existing law which prohibits the transportation in interstate commerce of prize-fight films. It has the approval of the Attorney General, and it is deemed advisable at this time because the newspapers carry pictures of prize fights and frequently they are shipped in interstate commerce with impunity. The radio also broadcasts prize fights, and it is felt that all this has made unnecessary the statute which prohibits the shipment of films in interstate commerce.

Mr. MARTIN of Massachusetts. The present law prohibits the shipment of prize-fight films from one State to another?

Mr. PEARSON. That is right.

Mr. MARTIN of Massachusetts. How have they been shipped?

Mr. PEARSON. It has been done in violation of the law, but apparently with impunity, because so far as I know, no indictments have been brought to prohibit transportation of the films. In other words, it is a law which does not have the support of the public and, as I say, the broadcasting of prize fights has really made this law an innocuous thing.

Mr. MARTIN of Massachusetts. Has the committee reported this unanimously?

Mr. PEARSON. This has the unanimous report of the Committee on Interstate and Foreign Commerce.

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

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That every film or other pictorial representation of any prize fight or encounter of pugilists, under whatever name, transported into any State, Territory, or possession, for use, sale, storage, exhibition, or other disposition therein is hereby divested of its character as a subject of interstate or foreign commerce to the extent that it shall upon crossing the boundary of such State, Territory, or possession, be subject to the operation and effect of the laws of such State, Territory, or possession enacted in the exercise of its police power.

SEC. 2. The act entitled "An act to prohibit the importation and the interstate transportation of films or other pictorial representations of prize fights, and for other purposes", approved July 31, 1912 (U. S. C., title 18, secs. 405-407), is hereby repealed.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

The SPEAKER. Without objection, House Resolution 524 will be laid on the table. This provided for the consideration of the bill just passed.

There was no objection.

EXTENSION OF REMARKS

Mr. GRANT of Indiana. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and include therein a short newspaper article.

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

There was no objection.

LABOR-FEDERAL SECURITY APPROPRIATION BILL, 1941—CONFERENCE REPORT

Mr. TARVER submitted the following conference report on the bill (H. R. 9007) making appropriations for the Department of Labor, the Federal Security Agency, and related independent agencies, for the fiscal year ending June 30, 1941, and for other purposes.

CONFERENCE REPORT

The committee of conference on the disagreeing votes of the two Houses on certain amendments of the Senate to the bill (H. R. 9007) making appropriations for the Department of Labor, the Federal Security Agency, and related independent agencies, for the fiscal year ending June 30, 1941, and for other purposes, having met, after full and free conference, have been unable to agree.

M. C. TARVER,
JOHN M. HOUSTON,
HARRY R. SHEPPARD,
BUTLER B. HARE,
ALBERT J. ENGEL,
FRANK B. KEEFE,

Managers on the part of the House.

KENNETH MCKELLAR,
RICHARD B. RUSSELL,
PAT MCCARRAN,
JOHN H. BANKHEAD,
JOSEPH C. O'MAHONEY,
H. C. LODGE, JR.

Managers on the part of the Senate.

Mr. TARVER. Mr. Speaker, I ask for the present consideration of the conference report on the bill H. R. 9007, the Labor-Federal Security appropriation bill, 1941.

The Clerk read the title of the bill.

The Clerk read the conference report.

Mr. TARVER. Mr. Speaker, I ask unanimous consent that Senate amendments Nos. 35, 36, 37, 38, and 39, which are the only amendments remaining in disagreement, be considered together.

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

There was no objection.

The SPEAKER. The Clerk will report the amendments referred to.

The Clerk read as follows:

Amendment No. 35: Page 63, line 3, strike out all of section 702.

Amendment No. 36: Page 63, line 14, strike out "703" and insert "702."

Amendment No. 37: Page 63, line 23, strike out "704" and insert "703."

Amendment No. 38: Page 64, line 4, strike out "705" and insert "704."

Amendment No. 39: Page 64, line 20, strike out "706" and insert "705."

Mr. TARVER. Mr. Speaker, I move that the House further insist on its disagreement to the amendments of the Senate numbered 35, 36, 37, 38, and 39.

Mr. Speaker, I yield myself 5 minutes.

Mr. Speaker, this is the Labor-Federal Security Agency appropriation bill, and, of course, it is highly important that this bill be enacted into law prior to any recess that may occur tomorrow night, as I understand is contemplated.

There is only one item in disagreement, the conference report on all the other items having been agreed to several days ago. The one substantial item in disagreement is Senate amendment No. 35, which struck out section 702 of the bill. I desire to read that section for your information in the event you do not have a copy of the bill before you:

None of the funds appropriated in this act shall be used to pay the salary of any person appointed to a non-civil-service position, under the appropriations in the respective titles in this act, if the effect of such appointment is to increase the number of non-civil-service employees from the State of residence of any such non-civil-service appointee beyond the number of non-civil-service employees to which such State is entitled, under the appropriations in the respective titles of this act, on a basis of population: *Provided*, That this section shall not apply to any position, the appointment of which is made by the President.

You will note that the language in question, which has been stricken out by the Senate, does not affect the tenure of service of any present employee of any of the several agencies whose activities are provided for in this bill. It simply provides that in making future appointments, appointments shall not be made from States which now have more than their quota upon the basis of population until appointments from other States which are under their quota shall have them brought up to their proportionate quota level.

The manifest justice of this provision was so apparent upon the consideration of the bill in the House that when the amendment offering this language for insertion in the bill was offered no single objection was made to its insertion.

There are 41 States which would be benefited by the language contained in this section. There are seven States which would be adversely affected, States which have more than their quota according to population of non-civil-service employees in these various organizations. The District of Columbia would also be adversely affected. In the National Labor Relations Board alone it appears that of 66 attorneys in the legal division 21 came from 1 State, and some States were not so fortunate as to have even a single appointee.

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

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

Mrs. ROGERS of Massachusetts. Will the gentleman name the State that has the 21 appointees?

Mr. TARVER. The State is the State of New York.

The Senate conferees, or at least a majority of them, in my judgment, have recognized the wisdom of the provision contained in section 702. This being true, of course, you will be interested to know why the Senate has not agreed to recede from its amendment striking this language out of the bill. I think it my duty to be perfectly frank with you about that matter. The Senate conferees have expressed a reluctance to recede from their amendment, not so much because of any meritorious objection to the provision, but because to do so would not be satisfactory to a certain distinguished Senator who is not a member of the conference committee and whose State would be adversely affected by the adoption of the language contained in section 702.

The conferees on the part of the House have been perfectly willing to listen to any objection which might be urged upon the basis of justice and merit, to any objection based on principle to the language contained in this section, but I feel that my fellow conferees will support me in the statement that no such objection has been urged. Under these circumstances the six conferees on the part of the House, four Democrats and two Republicans, are unanimous in the opinion that the House ought not to recede from its position.

Mr. MARTIN J. KENNEDY. Mr. Speaker, will the gentleman yield?

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

[Here the gavel fell.]

Mr. TARVER. Mr. Speaker, I yield myself 2 additional minutes in order to answer the gentleman's question.

Mr. MARTIN J. KENNEDY. As I understand the gentleman's position, it is that we ought to insist on the language

that is in the bill that would limit the number of appointees coming from the different States?

Mr. TARVER. It is my position that we ought to insist upon disagreement to the Senate amendment, which struck out section 702 of the bill.

Mr. MARTIN J. KENNEDY. The gentleman's claim is that we ought to insist on it?

Mr. TARVER. That is right.

Mr. MARTIN J. KENNEDY. Does not the gentleman believe that in view of the national emergency it is unwise for us to insist at this time on that sort of provision, because the Civil Service Commission will be called upon for all sorts of things and with this limitation in the bill they may not be able to supply the people necessary. I believe that if the gentleman will submit that to the House, the House will be inclined to recede and allow that proposition to go over to the next year. I do not believe this is a matter of life and death.

Mr. TARVER. I believe the gentleman's statement indicates that he has not clearly understood the language of the section. It has no reference whatever to civil-service employees. It has reference entirely to non-civil-service employees. It does not have any reference to any employees who are already in the service. It has reference only to the appointment of future employees.

And may I say to the gentleman that in a time of national emergency when numerous employees are to be selected, undoubtedly, not under civil service, for various departments of the Government, I do not think it would be inappropriate for the Congress to serve notice upon administrative authorities that they feel that such employees should be selected, as nearly as possible, upon a proportionate basis of population and therefore I cannot see any basis for the objection urged by the gentleman.

Mr. MARTIN J. KENNEDY. Mr. Speaker, will the gentleman yield further?

Mr. TARVER. Yes; I will be glad to yield to the gentleman.

Mr. MARTIN J. KENNEDY. Does not the gentleman think it would be possible to work out this difficulty, if there is a difficulty, with the executive departments? I think they know our attitude, and they will be glad to comply. I know that if you refer to my State, while I do not know the gentlemen who are working there any more than the gentleman does, yet we have these big centers of population and a number of workers there, and it seems a logical thing to go to those places for these men.

Mr. TARVER. The gentleman is correct in stating that he has the big centers of population. Therefore, on the basis of population, his State is entitled to a far greater number of these employees than would be one of the smaller States of the Union; but what the gentleman is insisting upon is a greater number, a far greater number, than he would be entitled to or his State would be entitled to even upon the basis of its very much larger population, and that, in my judgment, is unfair.

The SPEAKER. The time of the gentleman from Georgia has expired.

Mr. TARVER. Mr. Speaker, I move the previous question on the motion.

The previous question was ordered.

Mr. MARTIN J. KENNEDY. A parliamentary inquiry, Mr. Speaker.

The SPEAKER. The gentleman will state it.

Mr. MARTIN J. KENNEDY. Do I understand by the pending motion of the gentleman from Georgia that we are to vote upon the question of insisting upon the House language at this time?

The SPEAKER. Insisting on disagreement to the Senate amendment.

The question is on the motion of the gentleman from Georgia [Mr. TARVER].

The question was taken; and on a division (demanded by Mr. TARVER) there were—ayes 142, noes 5.

Mr. MARTIN J. KENNEDY. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. MARTIN J. KENNEDY. Under the rules may I object to the vote on the ground there is no quorum present at this time; if so, I would like to object on that ground.

The SPEAKER. Does the gentleman insist on his point of order that there is no quorum present?

Mr. MARTIN J. KENNEDY. I withdraw that, Mr. Speaker.

So the motion was agreed to.

A motion to reconsider was laid on the table.

NATIONALITY ACT OF 1940

Mr. SABATH, from the Committee on Rules, submitted the following privileged report (Rept. No. 2695), which was referred to the House Calendar and ordered printed:

House Resolution 544

Resolved, That immediately, upon 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 consideration of H. R. 9980, a bill to revise and codify the nationality laws of the United States into a comprehensive nationality code. That, after general debate, which shall be confined to the bill and shall continue not to exceed 1 hour to be equally divided and controlled by the chairman and ranking minority member of the Committee on Immigration and Naturalization, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the reading of the bill for amendment, the Committee shall rise and report the same to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

Mr. KEOGH. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. KEOGH. Mr. Speaker, I understand the bill upon which a rule has just been filed is a bill to recodify certain laws. The bill comes from a standing committee of the House, but not from the Committee on the Revision of the Laws, which is charged with the responsibility of codifying the laws that are enacted. My parliamentary inquiry is whether a point of order is in order with reference to the reference of this bill to the Committee on Immigration and Naturalization.

The SPEAKER. It is too late to raise that point of order. If the question had been raised in timely fashion, it could have been considered by the House, but it has been waived by failure to raise the question at the proper time.

Mr. KEOGH. May I submit a further parliamentary inquiry as to when such a point of order would be timely?

The SPEAKER. It is always up to the committees, of course, to make a motion to change the reference of bills if they are improperly referred under the provisions of the rule.

STRENGTHENING NATIONAL DEFENSE

Mr. MAY. Mr. Speaker, I submit a conference report upon the bill (H. R. 9850) to expedite the strengthening of the national defense, and ask unanimous consent for its present consideration.

The SPEAKER. Is there objection?

There was no objection.

The SPEAKER. The Clerk will report the conference report.

The Clerk read the conference report.

The conference report and statement are as follows:

CONFERENCE REPORT

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 9850) to expedite the strengthening of the national defense, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert the following:

"That (a) in order to expedite the building up of the national defense, the Secretary of War is authorized, out of the moneys appropriated for the War Department for national-defense purposes for the fiscal year ending June 30, 1941, with or without advertising, (1) to provide for the necessary construction, rehabilitation, conversion, and installation at military posts, depots, stations, or other localities, of plants, buildings, facilities, utilities, and appurtenances thereto (including Government-owned facilities and privately owned

plants and the expansion of such plants, and the acquisition of such land, and the purchase or lease of such structures, as may be necessary), for the development, manufacture, maintenance, and storage of military equipment, munitions, and supplies, and for shelter; (2) to provide for the development, purchase, manufacture, shipment, maintenance, and storage of military equipment, munitions, and supplies, and for shelter, at such places and under such conditions as he may deem necessary; and (3) to enter into such contracts (including contracts for educational orders, and for the exchange of deteriorated, unserviceable, obsolescent, or surplus military equipment, munitions, and supplies for other military equipment, munitions, and supplies of which there is a shortage), and to amend or supplement such existing contracts, as he may deem necessary to carry out the purposes specified in this section: *Provided*, That the limitations contained in sections 1136 and 3734 of the Revised Statutes, as amended, and any statutory limitation with respect to the cost of any individual project of construction, shall be suspended until and including June 30, 1942, with respect to any construction authorized by this Act: *Provided further*, That no contract entered into pursuant to the provisions of this section which would otherwise be subject to the provisions of the Act entitled "An Act to provide conditions for the purchase of supplies and the making of contracts by the United States, and for other purposes", approved June 30, 1936 (49 Stat. 2036; U. S. C., Supp. V, title 41, secs. 35-45), shall be exempt from the provisions of such act solely because of being entered into without advertising pursuant to the provisions of this section: *Provided further*, That the cost-plus-a-percentage-of-cost system of contracting shall not be used under this section; but this proviso shall not be construed to prohibit the use of the cost-plus-a-fixed-fee form of contract when such use is deemed necessary by the Secretary of War.

"(b) The Secretary of War is further authorized, with or without advertising, to provide for the operation and maintenance of any plants, buildings, facilities, utilities, and appurtenances thereto constructed pursuant to the authorizations contained in this section and section 5, either by means of Government personnel or through the agency of selected qualified commercial manufacturers under contracts entered into with them, and, when he deems it necessary in the interest of the national defense, to lease, sell, or otherwise dispose of, any such plants, buildings, facilities, utilities, appurtenances thereto, and land, under such terms and conditions as he may deem advisable, and without regard to the provisions of section 321 of the act of June 30, 1932 (47 Stat. 412).

"(c) Whenever, prior to July 1, 1942, the Secretary of War deems it necessary in the interest of the national defense, he is authorized, from appropriations available therefor, to advance payments to contractors for supplies or construction for the War Department in amounts not exceeding 30 percent of the contract price of such supplies or construction. Such advances shall be made upon such terms and conditions and with such adequate security as the Secretary of War shall prescribe.

"Sec. 2. (a) During the fiscal year 1941, all existing limitations with respect to the number of flying cadets in the Army Air Corps, and with respect to the number and rank of Reserve Air Corps officers who may be ordered to extended active duty with the Air Corps, shall be suspended.

"(b) The President may, during the fiscal year 1941, assign officers and enlisted men to the various branches of the Army in such numbers as he considers necessary, irrespective of the limitations on the strength of any particular branch of the Army set forth in the National Defense Act of June 3, 1916, as amended: *Provided*, That no Negro, because of race, shall be excluded from enlistment in the Army for service with colored military units now organized or to be organized for such service.

"Sec. 3. All existing limitations with respect to the number of serviceable airplanes, airships, and free and captive balloons that may be equipped and maintained shall be suspended during the fiscal year 1941.

"Sec. 4. (a) The Secretary of War is further authorized to employ such additional personnel at the seat of government and elsewhere, and to provide for such printing and binding, communication service, supplies, and travel expenses, as he may deem necessary to carry out the purposes of this act: *Provided*, That until December 31, 1941, the Secretary of War may, if he finds it to be necessary for national-defense purposes, authorize the employment of supervising or construction engineers without regard to the requirements of civil-service laws, rules, or regulations: *Provided further*, That notwithstanding the provisions of section 6 of the act of August 24, 1912 (37 Stat. 555; U. S. C. title 5, sec. 652), the Secretary of War may remove from the classified civil service of the United States any employee of the Military Establishment forthwith upon a finding that such person has been guilty of conduct inimical to the public interest in the defense program of the United States and upon the giving of notice to such person of such charges: *And provided further*, That within 30 days after such removal such person shall have an opportunity personally to answer such charges in writing and to submit affidavits in support of such answer.

"(b) Notwithstanding the provisions of any other law, the regular working hours of laborers and mechanics employed by the War Department, who are engaged in the manufacture or production of military equipment, munitions, or supplies shall be 8 hours per day or 40 hours per week during the period of any national emergency declared by the President to exist: *Provided*, That under

such regulations as the Secretary of War may prescribe, such hours may be exceeded, but compensation for employment in excess of 40 hours in any workweek, computed at a rate not less than one and one-half times the regular rate, shall be paid to such laborers and mechanics.

"Sec. 5. The President is authorized, with or without advertising, through the appropriate agencies of the Government (1) to provide for emergencies affecting the national security and defense and for each and every purpose connected therewith, including all of the objects and purposes specified under any appropriation available or to be made available to the War Department for the fiscal years 1940 and 1941; (2) to provide for the furnishing of Government-owned facilities at privately owned plants; (3) to provide for the procurement and training of civilian personnel necessary in connection with the protection of critical and essential items of equipment and material and the use or operation thereof; and (4) to provide for the procurement of strategic and critical materials in accordance with the act of June 7, 1939, but the aggregate amount to be used by the President for all such purposes shall not exceed \$66,000,000. The President is further authorized, through such agencies, to enter into contracts for such purposes in an aggregate amount not exceeding \$66,000,000. An account shall be kept of all expenditures made or authorized under this section, and a report thereon shall be submitted to the Congress at the beginning of each session subsequent to the third session of the Seventy-sixth Congress: *Provided*, That no contract entered into pursuant to the provisions of this section which would otherwise be subject to the provisions of the act entitled "An act to provide conditions for the purchase of supplies and the making of contracts by the United States, and for other purposes", approved June 30, 1936 (49 Stat. 2036; U. S. C., Supp. V, title 41, secs. 35-45), shall be exempt from the provisions of such act solely because of being entered into without advertising pursuant to the provisions of this section.

"Sec. 6. Whenever the President determines that it is necessary in the interest of national defense to prohibit or curtail the exportation of any military equipment or munitions, or component parts thereof, or machinery, tools, or material, or supplies necessary for the manufacture, servicing, or operation thereof, he may by proclamation prohibit or curtail such exportation, except under such rules and regulations as he shall prescribe. Any such proclamation shall describe the articles or materials included in the prohibition or curtailment contained therein. In case of the violation of any provision of any proclamation, or of any rule or regulation, issued hereunder, such violator or violators, upon conviction, shall be punished by a fine of not more than \$10,000, or by imprisonment for not more than 2 years, or by both such fine and imprisonment. The authority granted in this section shall terminate June 30, 1942, unless the Congress shall otherwise provide."

And the Senate agree to the same.

A. J. MAY,
EWING THOMASON,
W. G. ANDREWS,
DEWEY SHORT,

Managers on the part of the House.

MORRIS SHEPPARD,
R. R. REYNOLDS,
ELBERT D. THOMAS,
WARREN R. AUSTIN,

Managers on the part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two houses on the amendment of the Senate to the bill (H. R. 9850) to expedite the strengthening of the national defense, submit the following statement in explanation of the effect of the action agreed upon by the conferees and recommended in the accompanying conference report:

Section 1 of the House bill provided for expediting the national-defense program by authorizing the Secretary of War to provide necessary construction, rehabilitation, and installation of military posts, depots, stations, and other localities of plants, buildings, facilities, utilities, and appurtenances thereto, including the acquisition of land for the manufacture, maintenance, and storage of military equipment, munitions, and supplies. This section also provided for suspending until June 30, 1942, the provisions of any statute imposing a monetary limitation on any individual construction project.

Section 1 of the Senate amendment expanded this authority of the Secretary of War so as to include the making of contracts, with or without advertising, for the purposes outlined in the House bill, extended the authority so as to include the conversion of such plants, buildings, etc., and the installation of Government-owned facilities at privately owned plants and the expansion of such plants, the acquisition of such land, and the purchase or lease of such structures as may be necessary for the purposes specified in the House bill. This section also authorized the Secretary of War, with or without advertising, to provide for the development, purchase, manufacture, shipment, maintenance, and storage of military equipment, munitions, and supplies, and for shelter, at such places and under such conditions as he may deem necessary and to enter into such contracts (including contracts for educational orders and for the exchange of certain surplus military equipment, munitions, and supplies for other such equipment, munitions, and supplies of which there is a shortage). The

limitations of sections 1136 and 3734 of the Revised Statutes and any statutory limitation with respect to the cost of any individual project of construction were suspended until June 30, 1942, with respect to any construction authorized by the act and it was provided in substance that all contracts entered into by the Secretary of War under the section should be subject to the provisions of the Walsh-Healey Act of June 30, 1936.

The Secretary of War was prohibited under the Senate amendment from using what is known as the cost-plus system of contract but the Secretary of War was authorized with or without advertising, to provide for the operation and maintenance of any plants, buildings, facilities, utilities, and appurtenances constructed pursuant to the authority conferred upon the Secretary of War (or the President under sec. 5 of the Senate amendment) by Government personnel or through the agency of selecting qualified manufacturers under contracts and to provide for leasing of any such plants, etc., under such terms and conditions as the Secretary of War deemed advisable and without regard to the provisions of section 321 of the act of June 30, 1932. The Secretary of War was further authorized to make advance payments to contractors for supplies or construction in amounts not exceeding 30 percent of the contract price, such advances to be made upon such terms and conditions and with such adequate security as the Secretary of War prescribes.

The conference agreement adopts the provisions of the Senate amendment with certain clarifying changes, authorizes the Secretary of War to sell or otherwise dispose of any such plants, buildings, etc., as well as to lease them and substitutes for the limitation upon the use of the cost-plus system of contracting a provision which bars the use of the cost-plus-a-percentage-of-cost system but allows the Secretary of War, when he deems it necessary, to use the cost-plus-a-fixed-fee form of contract. The conference agreement also provides that instead of all contracts under the section being subject to the provisions of the Walsh-Healey Act, no such contract which would otherwise be subject to such act should be exempt from its provisions solely because it was entered into without advertising.

The second proviso of section 1 of the House bill provided that during the fiscal year 1941 the average number of flying cadets should not exceed 8,500 and that an average of 6,000 Reserve Air Corps officers might be ordered to extended active duty with the Air Corps. Section 2 (a) of the Senate amendment provided that during the fiscal year 1941 all existing limitations with respect to the number of flying cadets and with respect to the number and rank of Reserve Air Corps officers who may be ordered to extended active duty with the Air Corps should be suspended. The conference agreement adopts the Senate provision.

Section 2 (b) of the Senate amendment provided that the President during the fiscal year 1941 might assign officers and enlisted men to the various branches of the Army in such numbers as he considers necessary and contained a limitation that no person was to be excluded from enlistment in any branch of the Military Establishment on account of race, creed, or color. The sixth proviso of section 1 of the House bill provided for the assignment of enlisted men only and did not contain the limitation in the Senate amendment with respect to enlistment. The conference agreement retains the Senate provision with respect to assignment of officers and enlisted men, but modifies the limitation in the Senate amendment with respect to enlistment so as to provide that no Negro because of race shall be excluded from enlistment in the Army for service with colored military units now or hereafter organized for such service.

The third proviso of section 1 of the House bill provided that during the fiscal year 1941 all existing limitations as to the number of serviceable airplanes, airships, and free and captive balloons that may be equipped and maintained should be suspended. Section 3 of the Senate amendment contained a similar provision which the conference agreement adopts. The fourth and fifth provisos of section 1 of the House bill authorized the Secretary of War to employ such additional personnel at the seat of government and elsewhere and to provide for such printing and binding, etc., as he may deem necessary to carry out the purposes of the act, and authorized him to waive the provisions of section 6 of the act of August 24, 1912, in connection with the defense program of the United States in any case. Section 4 (a) of the Senate amendment contained a similar provision with respect to employment of personnel, but modified the provision authorizing the Secretary to waive the provisions of such section 6 so as to provide that the Secretary of War might remove from the classified civil service, notwithstanding the provisions of such section 6, any employee of the Military Establishment upon a finding that such person has been guilty of conduct inimical to the public interest in the defense program and upon giving notice to such person. An opportunity was also to be afforded any person so removed to answer the charges against him in writing and to submit affidavits in support of the answer within 30 days after such removal. This section of the Senate amendment also provided that the Secretary of War, until December 31, 1941, might employ supervising and construction engineers without regard to the civil-service laws if he found it to be necessary for national-defense purposes. The conference agreement adopts the provisions of section 4 (a) of the Senate amendment.

Section 4 (b) of the Senate amendment provided that the regular working hours of employees of the War Department and field service should be 8 hours a day and 40 hours per week during the period

of any national emergency declared by the President and made provision for overtime payment in excess of 40 hours in any administrative workweek at a rate not less than one and one-half times the regular rate. There was no corresponding provision in the House bill. The conference agreement retains the Senate provision but modifies it so that it is applicable only to laborers and mechanics employed by the War Department who are engaged in the manufacture or production of military equipment, munitions, or supplies.

Section 2 of the House bill contained authority for the President to use \$132,000,000 during the fiscal years 1941 and 1942 in emergencies affecting the national security and defense for the objects and purposes specified in any appropriation for the War Department for military purposes for the fiscal years 1940 and 1941, for furnishing Government-owned facilities at privately owned plants, for procuring and training civilian personnel necessary in connection with the production of critical and essential items of equipment and material and the use and operation thereof, and for the procurement of strategic and critical materials in accordance with the act of June 7, 1939. It was also provided that an account should be kept of all such expenditures and that reports should be submitted to Congress at the beginning of each session subsequent to the third session of the Seventy-sixth Congress. There was also a limitation that none of the money so authorized should be used to pay salaries to any Communist, Nazi, or Fascist. Section 5 of the Senate amendment contained a similar authorization but did not have the limitation last mentioned. A report of expenditures was to be submitted to Congress on or before June 30, 1942, under the Senate amendment, and there was also a provision that all contracts entered into under the section should be subject to the provisions of the Walsh-Healey Act of June 30, 1936. The conference agreement retains the provisions of section 5 of the Senate amendment with certain clarifying changes and provides for submitting a report of the expenditures under the section at the beginning of each session subsequent to the third session of the Seventy-sixth Congress, as provided in the House bill. The conference agreement also provides that instead of all contracts under the section being subject to the provisions of the Walsh-Healey Act, no such contract which would otherwise be subject to such act should be exempt from its provisions solely because it was entered into without advertising.

Section 3 of the House bill and section 6 of the Senate amendment both authorized the President by proclamation to prohibit or curtail the exportation of military equipment and munitions and certain machinery and material necessary for their manufacture or servicing wherever he determines that it was necessary in the interest of national defense. The Senate amendment included operation as well as maintenance and servicing of such machinery. Under the House bill the authority granted under the section was to terminate on June 30, 1942, unless the Congress otherwise provided, but under the Senate amendment it was provided that the authority granted under the act should so terminate. The conference agreement adopts the provisions of the Senate bill with a clarifying change.

A. J. MAY,
EWING THOMASON,
W. G. ANDREWS,
DEWEY SHORT,

Managers on the part of the House.

Mr. MAY. Mr. Speaker, I yield myself 5 minutes for the purpose of making any explanation of the report and bill that any gentleman desires. This is the report on the national defense expansion bill, you might call it, which authorizes the Secretary of War under section 1 to provide for the operation and maintenance of any plants, buildings, facilities, utilities, and appurtenances thereto constructed pursuant to the authorization contained in the act, and to provide for the use of any and all other means including Government personnel through any agency selected or qualified to execute any contract entered into with them. That is the general provision of section 1 of the act.

The Senate amended the bill by an amendment which prohibits entering into any contract for purchases of supplies except under and pursuant to provisions of the section of the act of June 30, 1936, which is known as the public advertising section of existing law. The Senate receded on that amendment and agreed to a further proviso that no contract entered into pursuant to the provisions of this section which would otherwise be subject to the provisions of the act of June 30, 1936, shall be exempt from the provisions of such act solely because of being entered into without advertising pursuant to the provisions of the section. In other words, where the War Department finds it necessary to build barracks or enter into some contract under the provisions of the original statute as it now is, they would be required to present, before starting construction, an itemized and detailed statement of the cost of every little item regardless of the size of it, even down to \$500.

Mr. VINSON of Georgia. Mr. Speaker, will the gentleman yield?

Mr. MAY. Yes.

Mr. VINSON of Georgia. That is the present law.

Mr. MAY. Yes; that is right. That authorizes that to be done without regard to advertising, but we prohibit in a subsequent provision the cost-plus idea that we know so much about, and which has been resorted to in the past, and authorize the letting of these contracts on a basis of cost plus a fixed fee.

Mr. VINSON of Georgia. Mr. Speaker, will the gentleman yield?

Mr. MAY. Yes.

Mr. VINSON of Georgia. Under the language submitted in a conference report a few days ago, under the act, the gentleman from Kentucky has just now read they have the authority to go out and take charge of any manufacturing plant in the United States, and to put a representative of the Government in charge of that plant.

Mr. MAY. No; I do not so understand it. They may make a contract for the lease of those plants.

Mr. VINSON of Georgia. And for the Government to operate them?

Mr. MAY. If necessary, and if the private plants do not have available employees, they can require the employment of Government employees, such as inspectors, special mechanics, and supervisors, to see, for instance, in some plant where they are manufacturing detailed and certain technical equipment according to specifications that the specifications are complied with.

Mr. VINSON of Georgia. Does it not go further than that? It did the other day in the RECORD, and I am uncertain about that now, because the Naval Affairs Committee of the Senate has incorporated practically the same idea in the Navy bill. As I understand it, it permits the Secretary of War to go out and commandeer or take over industrial plants and put a representative in there to make whatever the Army is asking to be manufactured.

Mr. RABAUT. Under what conditions?

Mr. VINSON of Georgia. I have not before me the RECORD of the other day, but that is exactly what has been submitted.

Mr. ANDREWS. Here is a copy of the RECORD.

Mr. VINSON of Georgia. It says this:

(b) The Secretary of War is further authorized, with or without advertising, to provide for the operation and maintenance of any plants, buildings, facilities, utilities, and appurtenances thereto constructed pursuant to the authorizations contained in this section and section 5, either by means of Government personnel or through the agency of selected qualified commercial manufacturers under contracts entered into with them, and, when he deems it necessary in the interest of the national defense, to lease, sell, or otherwise dispose of, any such plants, buildings, facilities, utilities, appurtenances thereto, and land, under such terms and conditions as he may deem advisable, and without regard to the provisions of section 321 of the act of June 30, 1932 (47 Stat. 412).

Mr. MAY. That is the provision that is in the report now. The intention is that the Government may have supervision and not control. If the Government builds or furnishes the money with which to build a plant alongside a private plant and after the emergency has ended desires to dispose of it to the private owner it may do so.

Mr. VINSON of Georgia. If that is the provision in the report now it certainly confers upon the Secretary of War the absolute authority to go out into the country and to take any manufacturing plant that he may see fit to take, and to manufacture for the Government, under Government supervision, any article that he deems necessary to procure.

Mr. DINGELL. If it is in the interest of national defense.

Mr. MAY. It does not authorize him to take over. It merely authorizes the Secretary of War, in the event it becomes necessary and he cannot lease the property, to require that the owner shall accept the supervision of experts who are qualified in carrying out blueprints, specifications, and requirements needed to manufacture technical equipment for the War Department. It could not be done otherwise. As I have already stated, if the Government in aid of industry makes improvements suitable to the use of the private owner

and has no further use for such improvements, the Government should be enabled to salvage some of the investment by sale to the private owners. That is all this section means, and I would be the last man in the world to allow Government to dominate private investments.

[Here the gavel fell.]

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

Mr. VINSON of Georgia. Would the gentleman state to the House what disposition was made with reference to time and a half for overtime?

Mr. MAY. Yes; I will be glad to do that. Under the Senate bill the provision required that all employees in the War Department, without regard to civil service or without regard to classification, should be paid for 8 hours' work, and for any overtime they were to be paid time and a half for such overtime. The conference report, as agreed to by the conferees, now provides that that shall apply only to those employees, including mechanics and experts actually engaged in the production of war materials and supplies in the plants, and it would not apply to thousands of civilian employees who work for the War Department that would be claiming overtime, on a fixed per annum basis or what is known as a fixed salary basis.

Mr. VINSON of Georgia. I just want to understand it does not apply to stenographers and clerks in the War Department either here or out in the field?

Mr. MAY. That is right. It is intended to allow wage earners and not salaried persons the benefit of overtime allowances.

Mr. VINSON of Georgia. But only to the people who do actual labor?

Mr. MAY. Only to the people who do actual labor. It does not apply to the civilian employees of the Corps of Engineers.

Mr. MARTIN of Massachusetts. Will the gentleman yield?

Mr. MAY. I yield.

Mr. MARTIN of Massachusetts. I understand you said "We set aside the cost-plus system and substituted a fee system." What about that fee system? Are there any restrictions to that?

Mr. MAY. It is a fee to be agreed upon in advance of the letting of the contract.

Mr. MARTIN of Massachusetts. It can be larger than cost-plus if the Secretary wishes?

Mr. VINSON of Georgia. If the gentleman will yield, I will state that as far as the Navy is concerned and as far as the appropriation bill is concerned, it cannot be over 6 percent. There is a provision in another bill pending in the Senate to permit the President to bring both together if there is any conflict.

Mr. MARTIN of Massachusetts. Does this suspend those restrictions?

Mr. VINSON of Georgia. No. It will adhere to what the House has already done with reference to the Naval Establishment.

Mr. RABAUT. Will the gentleman yield?

Mr. MAY. I yield.

Mr. RABAUT. Does this also hold to the 7 percent provision?

Mr. MAY. Yes, sir. It was 10 percent. It is reduced to 7 percent.

Mr. RABAUT. It is a reduction of war profits, then?

Mr. MAY. Yes. We thought in these times, which require many sacrifices of us all for the common cause, profits should be small.

Mr. MARTIN of Massachusetts. There was a part of this bill objected to by the Negroes of the country.

Mr. MAY. Yes.

Mr. MARTIN of Massachusetts. What has been done about that?

Mr. MAY. I will be glad to state that the Senate provision was stricken out and in lieu of the Senate provision it was provided that no Negro, because of race, should be excluded from enlistment in the Army for service with colored military units now organized or to be organized for such service.

Mr. MARTIN of Massachusetts. Then that takes care of that objection?

Mr. MAY. That is satisfactory, I understand, to the representative of the Negro race.

Mr. DINGELL. Will the gentleman yield?

Mr. MAY. I yield.

Mr. DINGELL. Now, is that satisfactory? This applies only to enlisted personnel. What about officer personnel for some of the Negro units?

Mr. MAY. The understanding is that the War Department is setting up skeleton regiments to take care of this question. Our colleague the gentleman from Indiana, Mr. LEWIS LUDLOW, has been quite interested to know that the colored people have been given full protection and equal opportunity with all other troops, officers and men alike. The gentleman from Indiana [Mr. LUDLOW] is at this very moment absent from the floor of the House engaged as a conferee on one of the appropriation bills. He came to me only a few minutes before this matter was called up and urged me to see that the colored people were surely protected, and I have assured him I would do so. May I also give due credit to the gentleman from New York [Mr. ANDREWS], a member of the conference and ranking minority member on the Military Affairs Committee. He is really the author of this protective provision and urged it strongly in the committee.

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

Mr. MAY. I yield.

Mr. ANDREWS. In that connection I may say that the General Staff of the War Department contemplates—in fact, they have planned—to organize five or six colored regiments. Yes; upon the special insistence of yourself.

Mr. DINGELL. I may say to my friend that I have no intention to precipitate any lengthy discussion of it, but I would like to have an understanding that the Negro citizens of this country are satisfied with what has been worked out. Certainly, no discrimination ought to appear in a bill of this kind.

Mr. MAY. The gentleman from Indiana [Mr. LUDLOW], as I have already stated, asked me to make reference to this particular amendment, and to state whether or not it took care of the question raised by the Negro people. It does fully. It was discussed by them, and they are satisfied.

Mr. DINGELL. I thank my friend for the information.

Mr. MAY. Mr. Speaker, I yield 2 minutes to the gentleman from New York [Mr. REED].

Mr. REED of New York. Mr. Speaker, the public mind, I believe, is very agitated over the attempt to transfer what is known as the mosquito fleet to foreign nations. I hold in my hand a clipping which appeared in today's paper. I cannot vouch for the authenticity of it, but, if it be true, it is very, very disturbing. It reads as follows:

55 UNITED STATES PLANES LEAVE EN ROUTE TO BRITAIN

MITCHEL FIELD, N. J., June 21.—Fifty-five Army bombing planes, "traded in" by the Government and sold to Britain, left today for Halifax, Nova Scotia.

It was the largest mass flight thus far in the plan to send to Britain all available planes not in immediate use.

The planes were piloted by civilians, some of whom are Army Reserve officers who had volunteered to fly the ships across the Canadian border.

Below that is this item:

New York, June 21.—Columbia Broadcasting Co. picked up an Italian short-wave radio newscast today, quoting the German news agency as saying the Germans had captured 400 airplanes, which had just arrived from America, and 2,000 motors complete with plans for mounting.

I think a matter of this kind should be examined into at this time. [Applause.]

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

Mr. MAY. I yield.

Mr. MILLER. I wish to clear up in my mind a little more about this 7 percent. I am sure no Member of Congress would say that 7 percent was too small a profit, but I am wondering about these negotiated contracts; for example, a concern may have several negotiated contracts. We know

from past experience that it is possible to lose money on a negotiated contract. Will companies taking several of these negotiated contracts be permitted to average their losses or consider their losses on a negotiated contract?

Mr. MAY. I think that any contractor entering into a series of contracts would have them considered as a whole, and if there were a loss on one or excessive profit on the other they would be averaged so they did not exceed 7 percent.

Mr. MILLER. I thank the gentleman.

Mr. MAY. Now, Mr. Speaker, if there are no other questions as to the bill or report, I move the previous question.

Mr. Speaker, I move the previous question on the conference report.

The previous question was ordered.

The conference report was agreed to.

A motion to reconsider was laid on the table.

CONSTRUCTION AT MILITARY POSTS

Mr. MAY. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H. R. 9896) to authorize appropriations for construction at military posts, and for other purposes.

The Clerk read the title of the bill.

Mr. MARTIN of Massachusetts. Mr. Speaker, reserving the right to object, will the gentleman explain the bill?

Mr. MAY. This is one of two bills. I expect momentarily to call up H. R. 9897. This bill (H. R. 9896) provides needed construction at several different Army posts. The War Department presented evidence to our committee which showed very clearly that there was an imminent necessity for this work. The bill merely authorizes the appropriation of money for this purpose. The money has already been appropriated in last week's appropriation bill.

The SPEAKER. Is there objection to the present consideration of the bill?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That there is hereby authorized to be appropriated not to exceed \$15,000,000 to be expended for the construction, rehabilitation, and installation at military posts of such buildings and utilities and appurtenances thereto as may be necessary, as follows:

Station and amount	
ALASKA	
Anchorage.....	\$6,379,225
HAWAII	
Schofield Barracks.....	780,000
Fort Shafter.....	90,000
PANAMA	
Fort Clayton.....	512,075
Corozal.....	1,071,300
Panama Canal Department.....	365,500
PUERTO RICO	
Borinquen Field.....	571,700
Puerto Rican General Depot.....	45,000
CONTINENTAL UNITED STATES	
Aberdeen Proving Ground, Md.....	210,000
Atlanta General Depot, Ga.....	1,300,000
Fort Belvoir, Va.....	60,000
Fort Benning, Ga.....	1,280,500
Edgewood Arsenal, Md.....	432,476
Frankford Arsenal, Pa.....	175,000
Fort Sam Houston, Tex.....	277,200
Fort Knox, Ky.....	100,000
Fort Lewis, Wash.....	255,000
Fort Myer, Va.....	84,000
Fort Monroe, Va.....	179,500
Philadelphia Quartermaster Depot.....	314,000
Picatinny Arsenal.....	218,524
West Point.....	299,000
Total.....	15,000,000

With the following committee amendments:

Page 2, opposite Schofield Barracks, strike out "\$780,000" and insert "\$823,200."

Opposite Fort Benning, Ga., strike out "\$1,280,500" and insert "\$1,320,500."

Strike out "Frankford Arsenal, Pa., \$175,000."

Opposite Fort Knox, Ky., strike out "\$100,000" and insert "\$153,124."

After Fort Lewis, Wash., add "Fort McPherson, Fla., \$65,000."

Opposite Picatinny Arsenal, strike out "\$218,524" and insert in lieu thereof "\$23,000."

After Picatinny Arsenal add "Fort Pickins, Fla., \$48,200; Fort Sill, Okla., \$96,000; Fort Story, Va., \$25,000."

The committee 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.

ACQUISITION OF ADDITIONAL LAND FOR MILITARY PURPOSES

Mr. MAY. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H. R. 9897) to authorize the acquisition of additional land for military purposes.

The Clerk read the title of the bill.

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

There was no objection.

Mr. MAY. Mr. Speaker, I may say this bill is one which provides for the acquisition of some additional land around our Army posts.

The Clerk read the bill as follows:

Be it enacted, etc., That the Secretary of War is hereby authorized to acquire, in such order of priority as he may determine, title to additional land, or interest therein, or right pertaining thereto, to the extent of the approximate areas hereinafter set forth, for the establishment, enlargement, and essential improvement of the following military reservations, posts, and facilities:

Antiaircraft Training and Firing Center, Savannah, Ga., 525,000 acres.

Big Bethel water development, Fort Monroe, Va., 41 acres.

Camp Custer, Mich., 6,126 acres.

Great Salt Lake Basin, Utah, 3,000 acres.

Fort Sill, Okla., 13,788 acres.

Sec. 2. In order to accomplish the purpose of this act there is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, the sum of \$3,500,000, to be expended under the direction of the Secretary of War.

With the following committee amendments:

Page 2, line 5, strike out all of the line and insert "Fort Dix, N. J., 16,346 acres."

Page 2, strike out lines 8 and 9 and insert the following: "Fort Lewis, Wash., 5,061 acres."

The committee 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.

SPECIAL ORDER

The SPEAKER. Under a special order heretofore made, the gentleman from Texas [Mr. MAHON] is entitled to recognition for 10 minutes.

Mr. MAHON. Mr. Speaker, during this momentous session of Congress, I have had the privilege of addressing the House on many of the problems which have come before us. Today there is in the forefront of everyone's thinking the question of national defense. A few days ago I had the privilege of speaking to you on that subject. Let me reiterate that in my judgment the destiny of this Nation may well depend upon the speed and efficiency with which we put into operation our gigantic national-defense plans. Hand in hand with that program must go our program of annihilation of every influence in America, call it "fifth column" or what you will, which aims at the destruction of our institutions and our Government. To that program we must give our full measure of devotion. On these programs there is little time left for words; the demand is for action—action now.

Moreover, let me say again that it is my conviction that Members of Congress should remain in Washington at their post of duty, regardless of considerations, political or otherwise, as long as we can contribute to the defense and security of America. In this view I have every confidence that the people of my district and the Nation concur.

Today I hope I may be pardoned for speaking briefly in a more personal way. I should like to make reference to my service in Congress, the legislative procedure here, and the Nineteenth Congressional District of Texas, which I have the honor to represent.

SENIORITY

On January 3, 1935—about 5½ years ago—I took the oath of office in this Chamber. This is but a short period

of time as service in Congress goes. Many Members of the House have been here for 20 years or more. I find that 178 Members of the present House of Representatives have been here longer than I, and that 193 Members have been here for a lesser time than I. There are 64 Members of the present House with whom I took the oath of office in 1935. Inasmuch as 178 Members of the House have been here longer than I, I could make no pretensions to being near the top in seniority.

Every new Member of the House is promptly impressed with the value and force of seniority. As former Speaker Champ Clark, who served in this House for 26 years and who was one of the most distinguished men ever to serve in Congress, once said:

A new Congressman must begin at the foot of the class and spell up. Of course, the more brains, tact, energy, courage, and industry he has, the quicker he will get up. If he possesses these qualities and if his constituents will keep him in the House, he is as certain to rise as the sparks are to fly upward.

He has also said:

It is a high honor to be a Representative in Congress, if for only one term, and with the number of terms the honor increases in geometrical rather than in arithmetical proportion. A Member's usefulness to his country should increase in the same proportion. A man has to learn to be a Representative just as he must learn to be a blacksmith, a carpenter, a farmer, an engineer, a lawyer, or a doctor.

Every true Member of Congress wishes to grow in knowledge of the Government and knowledge of the problems of the country, in power, and in influence, in order that he may the better serve his Nation and his own constituents. This is a natural ambition—one which the people approve.

COMMITTEE SERVICE

Hard work, seniority, and a favorable committee assignment, it has been said, are necessary to progress in Congress. No Member can attain the chairmanship of any committee except through the process of seniority. When I came to Congress, I was appointed to the Committees on Insular Affairs, Civil Service, Census, and Elections. I would not want to disparage the work of these committees, because they are essential to the work of the House, but I aspired to membership on one of the most important committees. Under present procedure a Democrat Member who is on a major committee is not permitted to serve on other regular committees of the House.

The opportunity for a favorable committee assignment has now come to me, and I am serving my second year as a member of the Committee on Appropriations, which handles all appropriations for the far-flung activities of the Federal Government, including national defense and all other Federal expenditures. The Appropriations Committee and the Ways and Means Committee are universally considered the most important committees in Congress. On the Appropriations Committee there are 25 Democrats and 15 Republicans, I being the only member from Texas. Since the Civil War 7 Texans have served on this committee, 2 of whom, Gov. Joe Sayers and James P. Buchanan, became chairmen. I deeply appreciate the honor of serving on this committee, where I have the privilege of working with some of the most able and most influential Members of the House. The significance of committee service and the force of seniority on a particular committee is well illustrated by the fact that a great majority of the bills reported to the House and which become the law bear the name of the chairman of the committee reporting the bills. In almost every instance when a man's name has become popularly associated with a bill or an act of Congress, it is because he occupied the chairmanship of the particular committee handling that measure.

LEGISLATION A RESULT OF COMPROMISE

All of us realize that no one man, no Member of Congress, can pass legislation alone. Legislation is accomplished by the joint efforts of the 435 Members of the House and the 96 Senators. No Member of the House could dominate all of his colleagues, and, if he could, he still would have no control

over the Senate. All legislation is therefore a result of compromise among the 531 Members of Congress. Since this is true, rarely is a Member of Congress satisfied completely with any bill that is finally agreed upon by the House and Senate and sent to the President for his approval or disapproval.

Most legislation for which I have voted has not been perfect. Much of the legislation for which I have voted has not suited me exactly. After a bill has been amended and changed in one way or the other by the various votes of Members of the House and Senate, it eventually comes down to a final vote. A majority of the Members must either vote for it or no legislation at all is passed on the subject. If there seems to be more good in a bill than bad, and if it is the only hope of getting anything passed, a Member of Congress will usually vote for the bill. In a democracy this is the only way legislation can be passed.

THE DUAL NATURE OF CONGRESSIONAL SERVICE

The work of a Member of Congress is divided into two principal categories: First, those duties pertaining to legislation, and, second, those duties which arise from the numerous requests of individuals and localities for cooperation in matters affecting their relationship with the Federal Government. One cannot enumerate in a few pages of writing nor in the short space of a few minutes what has been done over a period of more than 5 years.

SOME IMPORTANT LEGISLATION OF THE LAST 5½ YEARS

Everyone realizes that mistakes have been made from time to time by this administration. There has been no perfect era in our history. However, much worth-while legislation has been adopted during the past 5½ years in which I am proud to have had a part. Time affords opportunity for only brief reference to some of this legislation.

I voted for the soldiers' bonus and have voted for many other worth-while measures written for the benefit of our veterans, their widows and dependents. I have had a part in providing for the Public Works Administration and Work Projects Administration programs through which my district has received numerous projects of worth-while and lasting value. In the P. W. A. program the Nineteenth Texas District received more projects—not more money—than any other Texas district. Numerous school buildings, hospitals, and so forth, testify to the value of this program.

I have had a part in our Soil Conservation Service program, and I have supported legislation in behalf of the C. C. C., important for its conservation of the human resources of our youth and important for the work which it has done. The Nineteenth District of Texas has received its share of C. C. C. camps engaged in the work of the Soil Conservation Service and the State park service. When I think of what we have done for the C. C. C. boys, I think of the expanded program of vocational training in agriculture and home economics which Congress has made possible during recent years. In the schools of the Nineteenth Texas District there are now 55 vocational agriculture units and 54 home-economics units partially supported by the Federal Government. The importance of this work cannot be overemphasized.

CIVIL PILOT-TRAINING PROGRAM

I introduced the first bill calling for the civil pilot-training program under the Civil Aeronautics Authority, which is now of such great importance that it is being correlated with the national-defense program. Of course, the bill which passed Congress bore the name of the chairman of the appropriate committee.

FARM-TENANCY LEGISLATION

I am glad to have had a part in the program designed to enable the farm tenant to become a home owner. We have made some headway and we will make more. Legislation which we have already passed is helpful. Pending legislation which I discussed in the House on May 14, 1940, would provide a much broader program. I have joined with my colleagues here in every effort to provide for a more comprehensive farm-ownership program and in every effort to repel the destructive tendencies toward farm-family displacement. We have also provided for the more unfortunate of the farm

group through the assistance of the Farm Security Administration in its program of rehabilitation and service.

FARM LOAN INTEREST RATE REDUCTIONS

During my service the Congress has constantly reduced interest rates to the farmer through the Federal land bank and otherwise. Thousands of farmers in the Nineteenth Texas District, which is perhaps the greatest agricultural district in Texas, have profited by this procedure. Legislation is now pending providing for an extension of the period of these reduced interest rates.

SOCIAL-SECURITY PROGRAM

The social-security program has been enacted during my period of service here. It has been a considerable disappointment in many respects, but before we scoff at the humanitarian efforts which have been made, let us remember that Congress in 1935 put an old-age pension and a broad social-security program into operation, and while it was and is far from perfect, it was the first time in 150 years under our Constitution that there had been any old-age pension or social-security program of any kind. It can and will be improved. In old-age pensions we have provided for a maximum pension of \$40 per month, the State sharing \$20 and the Federal Government sharing \$20. In view of the inequalities between the States, many of us have thought all of the time, and still think, that the proper system would be a straight Federal pension. Then every individual in every State would share in Federal funds on a basis of equality.

FARM LEGISLATION

My principal interest in Congress has been in farm legislation. I have been in the fight with all those who have been fighting the battles of the farmer in Congress. As long as industry is protected by the tariff, the farmer who buys the products of industry must have the benefit of a subsidy—a tariff equivalent in one form or another. And there must always be a soil-conservation program to save the soil from further destruction. On frequent occasions I have pointed out the inadequacies of the farm program on this floor, and I shall continue to do so until the program insures the farmer an adequate farm income and until the program encourages the maximum practicable utilization of people on the farm and not the displacement of people from the farm. Legislation in which I have had a part has brought farm payments to the Nineteenth District of Texas in the sum of more than \$43,000,000 in the period from 1935 to 1940. I am cooperating with the farmers of my district. In letters, in personal conversations, and in public meetings we have discussed the problems which confront us. We will not relax our efforts in behalf of a better program, and we will not willingly destroy the one we have until we have a better one.

RURAL ELECTRIFICATION

Nothing has inspired my interest more than the rural electrification program. To have a part in bringing electric lights and power to the farm homes of America has been the high privilege of the recent Congresses of which I have been a Member. The program is in its infancy, but already 21 out of the 25 counties of the Nineteenth District of Texas have a part in this great program for the farm family. As the Honorable Harry Slattery, Administrator of the Rural Electrification Administration, said recently—

The lights of peace and liberty are going out all over the world today, but the R. E. A. is bringing the lights of progress to the farm homes of America.

Of course, it would be impossible in a short time to refer to the many problems which have arisen in Congress during the eventful years since 1935. Upon hundreds of occasions I have cast the vote of the people whom I have the honor to represent in this Chamber. I have answered the roll call more than 1,000 times. The people whom I have represented have honored me with their confidence, and it is my belief that they have approved the overwhelming majority of the votes which I have cast.

INDIVIDUAL SERVICES

The second category into which a Congressman's work falls is that of serving to the best of his ability those individuals and those representing communities, towns, and

cities who call upon him in regard to a particular proposition or problem involving the Federal Government in some way. I have received more than 15,000 letters a year from the people whom I represent. They dealt with a host of individual and community problems. I could not now, of course, enumerate what has been done in these many instances, but those who have called upon me know that I have made a conscientious effort to be helpful. I consider this part of my work to be a vitally important part of my duty as a Representative in Congress. These thousands of individual efforts do not become a part of the written record of a Congressman's service; they usually do not appear in the press as a matter of public interest. Nonetheless, each was important to someone who called upon me as his Representative, and I have done the best I could in honest respect for the confidence which these individuals have placed in me. I shall always prefer the silent trust of those steadfast friends to the public notoriety accorded the demagogue.

THE NINETEENTH DISTRICT OF TEXAS

I am proud of the district which I represent in Congress—the Nineteenth Congressional District of Texas. I have the honor to be its first Representative. It is a new area in west Texas. Its growth and development has been phenomenal. Its people are in every sense of the word pioneers. They have carved out of the heart of the old cattle kingdom a vast agricultural empire, now being supplemented by development of the oil industry. As I said here on the floor on an occasion in 1936:

The development of this section has been wrought by the strong determination and perseverance of a people with one purpose in their hearts—to build a new home for themselves. In this task they have not been unmindful of those community projects which are so vitally important to the individual home. In the short space of years hundreds of churches have been erected, hundreds of schools have been built, hundreds of miles of good roads have been constructed, and Texas Technological College, at Lubbock, has been born and is rapidly achieving national recognition. It is true that the climatic characteristics of this area have brought drought with their hardships, disappointments, and financial reverses. Yet the people have always been sustained by a faith that has endured through the severest losses and have written their record of progress in an economic and social order, the stability of which is no longer questioned. The predominance of real American stock and the solidarity of the people are not surpassed in any other section of the United States. To represent in Congress such a great people would challenge the fidelity and efforts of any man.

DEMOCRACY MUST BE MADE TO WORK FROM WITHIN

I began this speech with a reference to the all-important question of national defense. Before I conclude, I should like to point out in that connection that it is well for us to keep also in mind those legislative gains for which Congress and the people have been responsible and to continue to work toward the improvement of conditions at home and the solution of our important and perplexing problems. I hope that we may continue to remember that democracy must be made to work from within as well as defended from without. Certainly the bulwarks of our defense are as much in the hearts of our people as in the ramparts of our Army and the battleships of our Navy. We cannot forget that it is the function of the Government in a democracy to contribute to the general welfare of the people in every way possible. Our people are ready to assume the burdens and responsibilities of the defense program, ready to "pay the bill," if I may use that term. However, we must not presume that the glory of our Nation shall ever rest alone in an invincible Army and Navy. These must protect and maintain the real glory of the Nation reflected in the privileges and liberties of our people. In our present grave emergency I am anxious to serve in every possible way as a private citizen of the world's greatest Nation and as a representative of a great people who stand ready to defend those privileges and liberties which we under Heaven have come to enjoy.

EXTENSION OF REMARKS

Mr. SABATH. Mr. Speaker, I ask unanimous consent to revise and extend my own remarks in the RECORD and to include several letters which I have received from several organizations.

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

There was no objection.

Mr. HOOK. Mr. Speaker, I ask unanimous consent to revise and extend my own remarks in the RECORD and to include a speech I gave over the radio.

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

There was no objection.

Mr. MOUTON. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein some timely observations on the importance of agriculture in national defense and to substantiate my position in support of an adequate sugar quota.

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

There was no objection.

Mr. GRIFFITH. Mr. Speaker, I ask unanimous consent to have printed in the Appendix of the RECORD resolutions passed by veterans' organizations in my district.

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

There was no objection.

Mr. HILL. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include an article on Spray Residues, by Ira D. Cardiff.

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

There was no objection.

Mr. FADDIS. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include a statement by the National Rifle Association.

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

There was no objection.

Mr. SABATH. Mr. Speaker, I ask unanimous consent to insert in my remarks a short editorial appearing in the Chicago Times.

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

There was no objection.

HOOR OF MEETING

Mr. RAYBURN. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet at 11 a. m. tomorrow.

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

There was no objection.

WAIVING OF CLAUSE 2, RULE XXVIII

Mr. RAYBURN. Mr. Speaker, I ask unanimous consent that on tomorrow it may be in order to consider conference reports notwithstanding the provisions of clause 2 of rule XXVIII.

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

There was no objection.

EXTENSION OF REMARKS

Mr. SCHAFER of Wisconsin. Mr. Speaker, I ask unanimous consent to extend the remarks I made today in the House and to include a few brief excerpts from the Washington Post.

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

There was no objection.

Mr. SCHAFER of Wisconsin. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein copy of a statement of the ownership of the Chicago Daily News, dated October 1, 1938, edited and published by Frank Knox.

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

There was no objection.

Mr. SPRINGER. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and include therein a letter from one of my constituents.

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

There was no objection.

Mr. BENDER and Mr. STEFAN asked and were given permission to extend their own remarks in the RECORD.

Mr. TINKHAM. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD by inserting certain statements appearing in a publication called *Uncensored*.

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

There was no objection.

Mr. BLACKNEY. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and include therein certain brief quotations.

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

There was no objection.

Mr. CRAWFORD. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and include therein a statement by Dr. Dorsey, professor of jurisprudence at the Washington College of Law.

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

There was no objection.

ENROLLED BILLS SIGNED

Mr. PARSONS, from the Committee on Enrolled Bills, reported that that committee had examined and found truly enrolled bills of the House of the following titles, which were thereupon signed by the Speaker:

H. R. 1827. An act to allow moving expenses to employees in the Railway Mail Service;

H. R. 5982. An act for the protection against unlawful use of the badge, medal, emblem, or other insignia of veterans' organizations incorporated by act of Congress, and providing penalties for the violation thereof;

H. R. 8668. An act making appropriations for the fiscal year ending June 30, 1941, for civil functions administered by the War Department, and for other purposes; and

H. R. 9958. An act 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.

BILLS 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 of the House of the following titles:

H. R. 1827. An act to allow moving expenses to employees in the Railway Mail Service;

H. R. 5982. An act for the protection against unlawful use of the badge, medal, emblem, or other insignia of veterans' organizations incorporated by act of Congress, and providing penalties for the violation thereof;

H. R. 8668. An act making appropriations for the fiscal year ending June 30, 1941, for civil functions administered by the War Department, and for other purposes; and

H. R. 9958. An act 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.

ADJOURNMENT

Mr. RAYBURN. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 6 o'clock and 11 minutes p. m.), under its previous order, the House adjourned until tomorrow, Saturday, June 22, 1940, at 11 o'clock a. m.

EXECUTIVE COMMUNICATIONS, ETC.

1808. Under clause 2 of rule XXIV a letter from the Acting Secretary of the Navy, transmitting a list of cases of relief granted under the authority of the act of July 11, 1919 (41 Stat. 132; 31 U. S. Code, sec. 105), was taken from the Speaker's table and referred to the Committee on Expenditures in the Executive Departments.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. SUMNERS of Texas: Committee of conference on the disagreeing votes of the two Houses. H. R. 5138. An act for the registration of aliens; without amendment (Rept. No. 2683). Referred to the House Calendar.

Mr. MURDOCK of Arizona: Committee on Indian Affairs. H. R. 9707. A bill for the acquisition of Indian lands for the Parker Dam and Reservoir project, and for other purposes; with amendment (Rept. No. 2684). Referred to the Committee of the Whole House on the state of the Union.

Mr. MAY: Committee of conference on the disagreeing votes of the two Houses. H. R. 9850. An act to expedite the strengthening of the national defense (Rept. No. 2685). Referred to the Committee of the Whole House on the state of the Union.

Mr. COCHRAN: Committee on Expenditures in the Executive Departments. S. 3899. An act to defray the cost of returning to the United States the remains, families, and effects of officers and employees dying abroad, and for other purposes; without amendment (Rept. No. 2688). Referred to the Committee of the Whole House on the state of the Union.

Mr. STEAGALL: Committee on Banking and Currency. H. R. 10127. A bill to amend the Federal Reserve Act, and for other purposes; with amendment (Rept. No. 2689). Referred to the Committee of the Whole House on the state of the Union.

Mr. SMITH of Virginia: Committee on Rules. House Resolution 543. Resolution for consideration of H. R. 10127, a bill to amend the Federal Reserve Act, and for other purposes; without amendment (Rept. No. 2693). Referred to the House Calendar.

Mr. TARVER: Committee of conference on the disagreeing votes of the two Houses. H. R. 9007. An act making appropriations for the Department of Labor, the Federal Security Agency, and related independent agencies, for the fiscal year ending June 30, 1941, and for other purposes (Rept. No. 2694). Referred to the Committee of the Whole House on the state of the Union.

Mr. SABATH: Committee on Rules. House Resolution 544. Resolution for consideration of H. R. 9980, a bill to revise and codify the nationality laws of the United States into a comprehensive nationality code; without amendment (Rept. No. 2695). Referred to the House Calendar.

Mr. DOUGHTON: Committee of conference on the disagreeing votes of the two Houses. H. R. 10039. An act 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 (Rept. No. 2697). Referred to the Committee of the Whole House on the state of the Union.

Mr. WOODRUM of Virginia: Committee of conference on the disagreeing votes of the two Houses. H. R. 10055. An act making supplemental appropriations for the national defense for the fiscal year ending June 30, 1941, and for other purposes (Rept. No. 2698). 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. VAN ZANDT: Committee on Immigration and Naturalization. H. R. 10086. A bill for the relief of David Jacobson; without amendment (Rept. No. 2682). Referred to the Committee of the Whole House.

Mr. MACIEJEWSKI: Committee on Immigration and Naturalization. S. 2757. An act for the relief of Bonifacio Suso; without amendment (Rept. No. 2686). Referred to the Committee of the Whole House.

Mr. MACIEJEWSKI: Committee on Claims. H. R. 9033. A bill for the relief of Angelo Carlino; without amendment (Rept. No. 2687). Referred to the Committee of the Whole House.

Mr. LESINSKI: Committee on Immigration and Naturalization. H. R. 5559. A bill for the relief of Laszlo Vadnai and his wife, Clara; with amendment (Rept. No. 2690). Referred to the Committee of the Whole House.

Mr. LESINSKI: Committee on Immigration and Naturalization. H. R. 9938. A bill for the relief of Dr. Michel Konne and Pauline Lucia Konne; with amendment (Rept. No. 2696). Referred to the Committee of the Whole House.

ADVERSE REPORTS

Under clause 2 of rule XIII,

Mr. HARTLEY: Committee on Patents. H. R. 9341. A bill to revive certain patents (Rept. No. 2691). Laid on the table.

Mr. EDELSTEIN: Committee on Patents. H. R. 7685. A bill for the relief of Steve Kalisz and Stella Lakomski (Rept. No. 2692). Laid on the table.

CHANGE OF REFERENCE

Under clause 2 of rule XXII, committees were discharged from the consideration of the following bills, which were referred as follows:

A bill (H. R. 8777) to permit suit to be brought upon the yearly renewable term insurance of Oscar W. Wiley, deceased; Committee on Claims discharged, and referred to the Committee on War Claims.

A bill (H. R. 9855) for the relief of John F. Cantiene; Committee on Claims discharged, and referred to the Committee on War Claims.

A bill (H. R. 9607) for the relief of Maxie Smallwood Chapman; Committee on Claims discharged, and referred to the Committee on War Claims.

PUBLIC BILLS AND RESOLUTIONS

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

By Mr. KEOGH:

H. R. 10131. A bill to repeal obsolete statutes and improve the United States Code; to the Committee on Revision of the Laws.

By Mr. WADSWORTH:

H. R. 10132. A bill to protect the integrity and institutions of the United States through a system of selective compulsory military training and service; to the Committee on Military Affairs.

By Mr. ENGLEBRIGHT:

H. R. 10133. A bill to provide for the acquisition for national-park purposes of privately owned land located within the boundaries of the Lassen Volcanic National Park; to the Committee on the Public Lands.

By Mr. GREEN:

H. R. 10134. A bill extending the time within which certain applications for insurance may be made under section 300 of the World War Veterans' Act, 1924; to the Committee on World War Veterans' Legislation.

By Mr. HARRINGTON:

H. R. 10135. A bill to authorize a preliminary examination and survey of the Soldier River and the watershed thereof, in the State of Iowa, for flood control, for run-off and water-flow retardation, and for soil-erosion prevention; to the Committee on Flood Control.

By Mr. KEOGH:

H. R. 10136. A bill to amend the Internal Revenue Code; to the Committee on Ways and Means.

By Mr. ROBINSON of Utah:

H. R. 10137. A bill relating to conservation operations of the Department of the Interior pursuant to Reorganization Plan No. IV; to the Committee on the Public Lands.

By Mr. ELLIOTT:

H. R. 10138. A bill to amend the act entitled "An act for the establishment of marine schools, and for other purposes," approved March 4, 1911, as amended, with respect to the location of the nautical schools; to the Committee on Merchant Marine and Fisheries.

By Mr. HAWKS:

H. Con. Res. 79. Concurrent resolution establishing a joint committee on national defense and foreign policy; to the Committee on Rules.

By Mr. CARLSON:

H. Con. Res. 80. Concurrent resolution creating a special joint committee of the House and Senate to investigate the circumstances surrounding the resignation of the Honorable Harry H. Woodring; to the Committee on Rules.

By Mr. EDWIN A. HALL:

H. Res. 542. Resolution requesting the President to transmit to the House a report with respect to the progress which is being made in carrying on the national-defense program; to the Committee on Military Affairs.

PRIVATE BILLS AND RESOLUTIONS

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

By Mr. MARCANTONIO:

H. R. 10139. A bill for the relief of Juan Celeiro y Carro or Juan Celeiro; to the Committee on Immigration and Naturalization.

H. R. 10140. A bill for the relief of Abdul Hoke; to the Committee on Immigration and Naturalization.

By Mr. BARNES:

H. R. 10141. A bill for the relief of the First National Steamship Co., the Second National Steamship Co., and the Third National Steamship Co.; to the Committee on Claims.

PETITIONS, ETC.

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

8887. By Mr. BALL: Resolution adopted by the National Guard Association of Connecticut, favoring expansion of our national-defense program; to the Committee on Military Affairs.

8888. By Mr. KRAMER: Resolution of the American Legion, department of California, relative to the deportation of Harry Bridges; to the Committee on Immigration and Naturalization.

8889. By Mr. LYNCH: Petition of United Neighborhood Houses of New York, urging strong support of all necessary measures for national defense; to the Committee on Military Affairs.

8890. Also, petition of the May special grand jury of the southern district of New York, urging that section 605, title 47, of the United States Code, be amended to permit the use of wire tapping by law-enforcement officers of the Federal Government in connection with their official duties; to the Committee on the Judiciary.

8891. Also, petition of the Bronx County Society for the Prevention of Cruelty to Children, opposing entry of the United States into the European war, unless an act of aggression is made against us; to the Committee on Foreign Affairs.

8892. By Mr. MERRITT: Resolution of the Association of Competitive Employees, department of sanitation, city of New York, endorsing the sentiments as expressed in the "Stop Hitler Now" advertisement now appearing in the newspapers throughout the country; to the Committee on Foreign Affairs.

8893. Also, resolution of the Laurelton-Rosedale Post No. 766, Veterans of Foreign Wars, demanding Congress to remain in session until the present international crisis has passed; to the Committee on the Judiciary.

8894. Mr. SANDAGER: Petition of the Associated Alumni of Brown University, Providence, R. I., urging the Government of the United States to adopt immediately a system of compulsory selective military training; to the Committee on Military Affairs.

8895. By Mr. SCHIFFLER: Petition of James Cooper and other citizens of Wheeling, W. Va., urging all aid possible to the Allies; to the Committee on Foreign Affairs.

8896. Also, petition of Walter H. Evans and other citizens of Follansbee, W. Va., urging that we supply immediately to

the Allies material assistance—namely, planes, food, munitions, etc., but not manpower; to the Committee on Foreign Affairs.

8897. By Mr. VORYS of Ohio: Petition of Mr. and Mrs. L. M. Phinney, Rev. J. Otis Young, Mr. and Mrs. L. A. Wood, C. R. Hutchinson, H. A. Aleshire, C. J. Cummins, R. O. Nelson, G. T. Shepherd, and H. P. Warner, protesting against the traffic in war materials with Japan; to the Committee on Foreign Affairs.

8898. By the SPEAKER: Petition of S. I. Cole, of Chicago, Ill., and others, petitioning consideration of their resolution with reference to national-defense program; to the Committee on Military Affairs.

8899. Also, petition of F. G. Schreier, of Madison, Wis., and others, petitioning consideration of their resolution with reference to national-defense program; to the Committee on Military Affairs.

8900. Also, petition of the Lions International, Miami, Fla., petitioning consideration of their resolution with reference to the national-defense program; to the Committee on Military Affairs.

8901. Also, petition of the United Federal Workers of America, Washington, D. C., petitioning consideration of their resolution with reference to immigration legislation; to the Committee on Immigration and Naturalization.

8902. Also, petition of the Jewish Peoples Committee of the East Side Council, petitioning consideration of their resolution with reference to House bill 9858 and immigration legislation; to the Committee on Immigration and Naturalization.

8903. Also, petition of B. P. Hawes, of Spokane, Wash., and others, petitioning consideration of their resolution with reference to election laws; to the Committee on the Judiciary.

SENATE

SATURDAY, JUNE 22, 1940

(Legislative day of Friday, June 21, 1940)

The Senate met at 11 o'clock a. m., on the expiration of the recess.

Rev. Duncan Fraser, assistant rector, Church of the Epiphany, Washington, D. C., offered the following prayer:

O Lord, our Heavenly Father, almighty and everlasting God, who hast brought us to the beginning of this day: Defend us in the same with Thy mighty power; and grant that this day we fall into no sin, neither run into any kind of danger, but that all our doings, being ordered by Thy governance, may be righteous in Thy sight and salutary to Thy people in this Nation. Through Jesus Christ, our Lord. 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, June 21, 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.

The CHIEF CLERK called the roll, and the following Senators answered to their names:

Adams	Byrnes	Ellender	Hill
Andrews	Capper	George	Holman
Ashurst	Caraway	Gerry	Holt
Bailey	Chandler	Gillette	Hughes
Bankhead	Chavez	Green	Johnson, Calif.
Barbour	Clark, Idaho	Guffey	Johnson, Colo.
Barkley	Clark, Mo.	Hale	King
Bilbo	Danaher	Harrison	La Follette
Bone	Davis	Hatch	Lee
Brown	Donahay	Hayden	Lodge
Byrd	Downey	Herring	Lundeen

McCarran	Norris	Russell	Truman
McKellar	Nye	Schwartz	Tydings
McNary	O'Mahoney	Schwellenbach	Vandenberg
Maloney	Overton	Sheppard	Van Nuys
Mead	Pepper	Shipstead	Wagner
Miller	Pittman	Smith	Walsh
Minton	Radcliffe	Thomas, Okla.	Wheeler
Murray	Reed	Thomas, Utah	White
Neely	Reynolds	Townsend	Wiley

Mr. MINTON. I announce that the Senator from Virginia [Mr. GLASS], the Senators from Illinois [Mr. LUCAS and Mr. SLATTERY], the Senator from New Jersey [Mr. SMATHERS], and the Senator from Tennessee [Mr. STEWART] are necessarily absent from the Senate.

The Senator from Texas [Mr. CONNALLY], the Senator from South Dakota [Mr. BULOW], and the Senator from Nebraska [Mr. BURKE] are attending the funeral of the late Senator GIBSON, and are therefore necessarily absent.

Mr. McNARY. The Senator from Vermont [Mr. AUSTIN], the Senator from South Dakota [Mr. GURNEY], and the Senator from New Hampshire [Mr. TOBEY] are members of the Senate committee attending the funeral of the late Senator GIBSON.

The Senator from North Dakota [Mr. FRAZIER] and the Senator from Idaho [Mr. THOMAS] are necessarily absent.

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

AMOS B. COLE—VETO MESSAGE (S. DOC. NO. 252)

The VICE PRESIDENT laid before the Senate a message from the President of the United States, which was read, referred to the Committee on the District of Columbia, and ordered to be printed, as follows:

To the Senate:

I return herewith, without my approval, the bill (S. 1560) for the relief of Amos B. Cole.

It appears that Amos B. Cole was a member of the Metropolitan Police Department of the District of Columbia. After a trial by the police trial board he was dismissed from the force. Subsequently, he became incapacitated. The instant bill would, however, entitle him to the same retirement privileges that would be extended to him had he become permanently incapacitated in line of duty while in the service.

In my opinion, the enactment of this legislation would not only create an undesirable precedent, but would not be conducive to the maintenance of morale and discipline in the local police force. The District Commissioners and the head of the Police Department can hardly be held responsible for the proper administration of the department, and for its effectiveness in maintaining law and order if disciplinary action taken by them in individual cases is to be subject to reversal by legislative action.

I may add that I am informed that Mr. Cole is receiving adequate hospital care in a veterans' hospital, at Government expense, and is also receiving a pension based on his service in the United States Army prior to his becoming a member of the police force.

In view of the considerations discussed above, I am constrained to return the bill without my approval.

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE, June 21, 1940.

RELIEF OF DISBURSING OFFICERS OF THE NAVY

The VICE PRESIDENT laid before the Senate a letter from the Acting Secretary of the Navy, reporting relative to cases of relief granted under authority of the act of July 11, 1919, to disbursing officers of the Navy, relieving them from responsibility on account of loss or deficiency caused by officers, without fault or negligence, acting in the line of duty, since the last report submitted as of May 3, 1939, which was referred to the Committee on Naval Affairs.

PETITIONS AND MEMORIALS

The VICE PRESIDENT laid before the Senate resolutions of Women's Auxiliary No. 1 to the Maritime Federation, San Francisco, Calif., and the Eureka Noe Valley Unions Auxiliary Club, protesting against action tending to lead the